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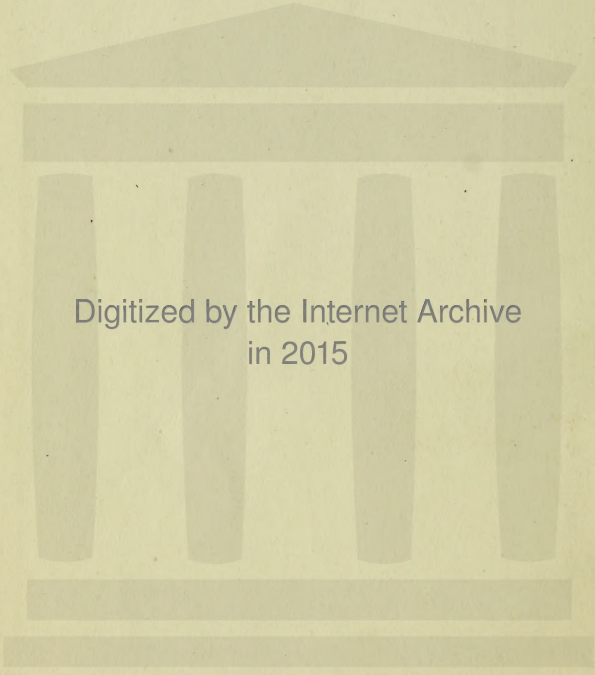
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SINCE THE CIVIL WAR

THE UNITED STATES

MAX FARRAND, EDITOR

I COLONIAL BEGINNINGS, by WINFRED T. ROOT, Professor of History, University of Wisconsin.

II GROWTH OF A NATION, by MAX FARRAND, Professor of History, Yale University.

III SINCE THE CIVIL WAR, by CHARLES R. LINGLEY, Professor of History, Dartmouth College.

SINCE THE CIVIL WAR

BY

CHARLES RAMSDELL LINGLEY

PROFESSOR OF HISTORY, DARTMOUTH COLLEGE



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PREFACE

To write an account of the history of the United States since the Civil War without bias, without misstatements of fact and without the omission of matters that ought to be included, would be to perform a miracle. I have felt no wonder-working near me. I can claim only to have attempted to overcome the natural limitations of having been brought up in a particular region and with a traditional political, economic and social philosophy. I have tried to present as many sides of every question as the limitations of space permitted and to look sympathetically upon every section, every party and every individual, because the sympathetic critic seems to me most likely to discover the truth.

It used to be believed that history could not be written until at least half a century had elapsed after the events which were to be chronicled. It is of course true that only after the lapse of time can students gain access to ample documentary material, rid themselves of partisan prejudice and attain the necessary perspective. Unhappily, however, the citizen who takes part in public affairs or who votes in a political campaign cannot wait for the labors of half a century. He must judge on the basis of whatever facts he can find near at hand. Next to a balanced intelligence, the greatest need of the citizen in the performance of his political duties is a substantial knowledge of the recent past of public problems. It is impossible to give a sensible

opinion upon the transportation problem, the relation between government and industry, international relations, current politics, the leaders in public affairs, and other peculiarly American interests without some understanding of the United States since the Civil War. I have tried in a small way to make some of this information conveniently available without attempting to beguile myself or others into the belief that I have written with the accuracy that will characterize later work.

Some day somebody will delineate the *spiritual* history of America since the Civil War—the compound of tradition, discontent, aspiration, idealism, materialism, selfishness, and hope that mark the floundering progress of these United States through the last half century. He will read widely, ponder deeply, and tune his spirit with care to the task which he undertakes. I have not attempted this phase of our history, yet I believe that no account is complete without it.

I have drawn heavily on others who have written in this field—Andrews, Beard, Paxson and Peck, and especially on the volumes written for the American Nation series by Professors Dunning, Sparks, Dewey, Latané and Ogg. Haworth's *United States in Our Own Time, 1865–1920,* was unfortunately printed too late to give me the benefit of the author's well-known scholarship. Many friends have generously assisted me. My colleagues, Professors F. A. Updyke, C. A. Phillips, G. R. Wicker, H. D. Dozier, and Malcolm Keir have read the manuscript of individual chapters. Professor E. E. Day of Harvard University gave me his counsel on several economic topics. Professor George H. Haynes of the Worcester Polytechnic Institute, Professor B. B. Kendrick of Columbia University, Professor W. T. Root of the University of Wisconsin, and Professors

L. B. Richardson and F. M. Anderson of Dartmouth College have read the entire manuscript. Officials at the Dartmouth College Library, the Columbia University Library, and the Library of Congress gave me especial facilities for work. Two college generations of students at Dartmouth have suffered me to try out on them the arrangement of the chapters as well as the contents of the text. Harper and Bros. allowed me to use a map appearing in Ogg, *National Progress,* and D. Appleton and Co. have permitted the use of maps appearing in Johnson and Van Metre, *Principles of Railroad Transportation;* A. J. Nystrom and Co. and the McKinley Publishing Co. have allowed me to draw new maps on outlines copyrighted by them. At all points I have had the counsel of my wife and of Professor Max Farrand of Yale University.

CHARLES R. LINGLEY.

Dartmouth College,
June 14, 1920.

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SINCE THE CIVIL WAR

SINCE THE CIVIL WAR

CHAPTER I

RECONSTRUCTION AND ITS AFTERMATH

ABRAHAM LINCOLN in the presidential chair was regarded by many of the politicians of his party as an "unutterable calamity"; and while the news of Lincoln's assassination was received with expressions of genuine grief, the accession of Vice-President Andrew Johnson was looked upon as a "Godsend to the country." As the Civil War came to a close, Lincoln opposed severe punishments for the leaders of the Confederacy; he urged respect for the rights of the southern people; he desired to recognize the existence of a Union element in the South, to restore the states to their usual relations with as little ill-feeling as possible, and in the restoration process to interfere but little with the normal powers of the states. Johnson, on the contrary, "breathed fire and hemp." "Treason," he asserted over and again, "should be made odious, and traitors must be punished and impoverished. Their great plantations must be seized, and divided into small farms and sold to honest, industrious men." For a time it seemed that the curtain would go down on the tragedy of Civil War only to rise immediately on the execution of the Confederate leaders and the confiscation of their property. A large and active group of Washington politicians believed in

the necessity of a stern accounting with the "rebels." Lincoln's gentleness seemed to these bitter northerners like a calamity; Johnson's vindictiveness like a God-send to the country. In the conflict between the policy of clemency and the policy of severity is to be found the beginning of the period of reconstruction.

Andrew Johnson was a compact, sturdy figure, his eyes black, his complexion swarthy. In politics he had always been a Democrat. So diverse were his characteristics that one is tempted to ascribe two personalities to him. He was a tenacious man, possessed of a rude intellectual force, a rough-and-ready stump speaker, intensely loyal, industrious, sincere, self-reliant. His courage was put to the test again and again, and nobody ever said that it failed. His loyalty held him in the Union in 1861, although he was a senator from Tennessee and his state as well as his southern colleagues were withdrawing. His public and private integrity withstood a hostile investigation that included the testimony of all strata of society, from cabinet officers to felons in prison. Later, at the most critical moment of his whole career, when he had hardly a friend on whom to lean, he was unflurried, dignified, undismayed.

Although Johnson was born in North Carolina, the greater part of his life was spent in eastern Tennessee. His education was of the slightest. His wife taught him to write, and while he plied his tailor's trade she read books to him that appealed to his eager intellect. When scarcely of voting age he became mayor of the town in which he lived and by sheer force of character made his way up into the state legislature, the federal House of Representatives and the Senate. President Lincoln made him military governor of Tennessee in 1862. In 1864 many Democrats and most

Republicans joined to form a Union party, and in order to emphasize its non-sectional and non-partisan character they nominated Andrew Johnson as Lincoln's running mate. And now this unschooled, poor-white, slave-holding, Jeffersonian, states-rights Democrat had become President of the United States.

It was scarcely to be expected that a man who had fought his way to the fore in eastern Tennessee during those controversial years would possess the characteristics of a diplomat. Even his friends found him uncommunicative, too often defiant and violent in controversy, irritating in manners, indiscreet, and lacking flexibility in the management of men. The messages which he wrote as President were dignified and judicious, and his addresses were not lacking in power, but he was prone to indulge in unseemly repartee with his hearers when speaking on the stump. He exchanged epithets with bystanders who were all too ready to spur him on with their "Give it to 'em, Andy!" and "Bully for you, Andy!" giving the presidency the "ill-savor of a corner grocery" and filling his supporters with amazement and chagrin. The North soon looked upon him as a vulgar boor and remembered that he had been intoxicated when inaugurated as Vice-President. Unhappily, too, he was distrustful by nature, giving his confidence reluctantly and with reserve, so that he was almost without friends or spokesmen in either house of Congress. His policies have commended themselves, on the whole, even after the scrutiny of half a century. The extent to which he was able to put them into effect is part of the history of reconstruction.

The close of the Civil War found the nation as well as the several sections of the country facing a variety of complicated and pressing social, economic and po-

litical problems. Vast armies had to be demobilized and re-absorbed into the economic life of the nation. Production of the material of war had to give way to the production of machinery, the building of railroads and the tilling of the soil. The South faced economic demoralization. The federal government had to determine the basis on which the lately rebellious states should again become normal units in the nation, and the civil, social and economic status of the negro had to be readjusted in the light of the outcome of the war. Most of these problems, moreover, had to be solved through political agencies, such as party conventions and legislatures, with all the limitations of partisanship that these terms convey. And they had obviously to be solved through human beings possessed of all the prejudices and passions that the war had aroused: through Andrew Johnson with his force and tactlessness; through able, domineering and vindictive Thaddeus Stevens; through narrow and idealistic Charles Sumner and demagogic Benjamin F. Butler; as well as through finer spirits like William Pitt Fessenden and Lyman Trumbull.

In their attitude toward the South, the people of the North, as well as the politicians, fell into two groups. The smaller or radical party desired a stern reckoning with all "rebels" and the imprisonment and execution of the leaders.[1] They hoped, also, to effect an immediate extension to the negroes of the right to vote. It was this faction that welcomed the accession of Johnson to the Presidency. The other group was much the larger and was inclined toward gentler measures and

[1] Jefferson Davis, the President of the Confederate States, was held in prison until 1867 and then released. He died in 1889. Suggestions that General Lee, the most prominent military leader, be arrested and tried met with such opposition from General Grant and Union [illegible] that the project was dropped. Lee died in 187[illegible]

toward leaving the question of suffrage largely for the future. Lincoln and his Secretary of State, Seward, were representative of this party. The attitude of the South toward the North was more difficult to determine. To be sure the rebellious states were beaten, and recognized the fact. There was general admission that slavery was at an end. But careful observers differed as to whether the South accepted its defeat in good faith and would treat the blacks justly, or whether it was sullen, unrepentant and ready to adopt any measures short of actual slavery to repress the negro.

In theory, the union of the states was still intact. The South had attempted to secede and had failed. Practically, however, the southern states were out of connection with the remainder of the nation and some method must be found of reconstructing the broken federation. President Lincoln had already outlined a plan in his proclamation of December 8, 1863. Excluding the leaders of the Confederacy, he offered pardon to all others who had participated in the rebellion, if they would take an oath of loyalty to the Union and agree to accept the laws and proclamations concerning slavery. As soon as the number of citizens thus pardoned in each state reached ten per cent. of the number of votes cast in that state at the election of 1860, they might establish a government which he would recognize. It was his expectation that a loyal body of reconstructed voters would collect around this nucleus, so that in no great while the entire South would be restored to normal relations. At the same time he called attention to the fact that under the Constitution the admission into Congress of senators and representatives sent by these governments must rest exclusively with the houses of Congress themselves. In pursuance

of his policy he had already appointed military governors in states where the federal army had secured a foothold, and they directed the re-establishment of civil government. The radicals opposed the plan because it left much power, including the question of negro suffrage, in the hands of the states. A contest between Congress and the executive was clearly imminent when the assassin's bullet removed the patient and conciliatory Lincoln.

Lincoln's determination to leave control over their restoration as far as possible in the hands of the states was in line with Johnson's Democratic, states-rights theories. Moreover, the new executive retained his predecessor's cabinet, including Seward, whose influence was promptly thrown on the side of moderation. To the consternation of the radicals the President issued a proclamation announcing a reconstruction policy which substantially followed that of Lincoln. Like his predecessor he intended to confine the voting power to the whites, leaving to the states themselves the question whether the ballot should be extended to any of the blacks. Wherever Lincoln had not already acted, he appointed military governors who directed the establishment of state governments, the revival of the functions of county and municipal officials, the repeal of the acts of secession, the repudiation of the war debts, and the election of new state legislatures, governors, senators and representatives. The Thirteenth Amendment to the Constitution, abolishing slavery, was ratified by the new legislatures and declared in effect December 18, 1865.

During the last half of the year, the President's policy met with wide approval among the people of the North, where both Republicans and Democrats expressed satisfaction with his conciliatory attitude.

The South was not unpleased, as was indicated by the speed with which men presented themselves for pardon and assisted in setting up new state governments. Nevertheless there were disquieting possibilities of dissension. Northern radicals could be counted upon to oppose so moderate a policy. There was a reaction, too, against the great power which the executive arm of the government had exercised in war time. Congress felt that it had been thrust aside, its functions reduced and its prestige diminished. It could be looked to for an assertion of its desire to dominate reconstruction. Finally when ex-confederates began to be elected to office, many a northerner shook his head and wondered whether the South was attempting to get into the saddle once more.

When Congress convened in December, 1865, its members held a wide variety of opinions in regard to the best method of restoring the confederate states to the Union. On one point, however, there was some agreement—that Congress ought to withhold approval of executive reconstruction until it could decide upon a program of its own. Led by Thaddeus Stevens, the radical leader of the House, a joint congressional committee of fifteen was appointed to report whether any of the southern state governments were entitled to representation in Congress. For the present, all of them, even the President's own state, were to be denied representation. With Stevens as chairman of the House Committee on Reconstruction and Johnson in the President's chair, a battle was inevitable, in which quarter would be neither asked nor given.

Unhappily for themselves, the southern states played unwittingly into the hands of Stevens and his radical colleagues. The outcome of the war had placed upon the freedmen responsibilities which they could not be

expected to carry. To many of them emancipation meant merely cessation from work. Vagabondage was common. Rumor was widespread that the government was going to give each negro forty acres of land and a mule, and the blacks loafed about, awaiting the division. The strict regulations which had surrounded the former slave were discarded and it was necessary to accustom him to a new regime. "The race was free, but without status, without leaders, without property, and without education." Fully alive to the dangers of giving unrestricted freedom to so large a body of ignorant negroes, the southern whites passed the "black codes," which placed numerous limitations on the civil liberty of "persons of color." In some cases they were forbidden to carry arms, to act as witnesses in court except in cases involving their own race, and to serve on juries or in the militia. Vagrancy laws enabled the magistrates to set unemployed blacks at work under arrangements that amounted almost to peonage. It is now evident that the South was actuated by what it considered the necessities of its situation and not merely by a spirit of defiance. Yet the fear on the part of the North that slavery was being restored under a disguise was not unnatural. Radical northern newspapers and leading extremists in Congress exaggerated the importance of the codes until they seemed like a systematic attempt to evade the results of the war. As Republican leaders in Congress saw the satisfaction created in the South by the President's policy, and discovered that northern Democrats were rallying to his support, the jealousies of partisanship caused them still further to increase their grip on the processes of reconstruction. A disquieting by-product of the Thirteenth Amendment, abolishing slavery, also began to appear. Hitherto only three-fifths of the negroes


125°
120°
115°
110°
105°
100°
50
PACIFIC OCEAN
WASHINGTON TERRITORY
Olympia
OREGON COUNTRY
Columbia R.
Salem
Acquired by Treaty with Great Britain in 1846
OREGON
1859
CALIFORNIA
Sacramento
NEVADA TERRITORY
Carson City
1864
1850
THE MEXICAN CESSION OF 1848
Snake R.
IDAHO TERRITORY
Rocky Mountains
Missouri R.
MONTANA TERRITORY
Virginia City
Salt Lake City
UTAH TERRITORY
Golden City
COLORADO TERRITORY
Arkansas R.
1861
KANSAS
Red R. of the North
DAKOTA TERRITORY
Purchased from France
LOUISIANA
NEBRASKA
1867
Platte R.
Lincoln
Colorado R.
ARIZONA TERRITORY
Santa Fé
NEW MEXICO TERRITORY
INDIAN TERRITORY
Annexed in 1845
TEXAS
1845
Austin
THE GADSDEN PURCHASE
1853
Tucson
Rio Grande
MEXICO
ARCTIC OCEAN
ARCTIC CIRCLE
ASIA
Bering Str.
ALASKA
Purchased from Russia in 1867
CANADA
BERING SEA
PRIBILOF IS.
Sitka
ALEUTIAN ISLANDS
PACIFIC OCEAN
0 100 200 300 400 500
Scale of Miles
180°
170°
160°
150°
140°
105°
100°
Longitude

had been counted in apportioning representation in the House of Representatives. As soon as the slaves became free, however, they were counted as if they were whites, and thereby the strength of the South in Congress would be increased. It was hardly to be expected that the North would view such a development with satisfaction.

The first action of the leaders in Congress was the introduction of a bill to continue and extend the powers of the Freedmen's Bureau, a federal organization which supervised charitable relief given the negroes, protected them in making contracts for labor and assumed a sort of guardianship over the race in making its transition out of slavery. The new measure was intended to continue this federal tutelage of the l
The President's veto of the bill, February 19, served to widen the breach between him and Co

or conciliatory Republicans were lost to him for good. Throughout the North it was felt that protection must be accorded the freedmen against the black codes, and when the President opposed it he lost ground outside of Congress as well as in it. "From that time Johnson was beaten."

Stevens in the House and Sumner and others in the Senate were now in a position to press successfully a stern, congressional reconstruction policy to replace that of the executive. The first item in the radical program was the Fourteenth Amendment, which passed Congress in June, 1866, although it did not become of force until 1868. It contained four sections: (1) making citizens of all persons born or naturalized in the United States and forbidding states to abridge their rights; (2) providing for the reduction of the representation in Congress of any state that denied the

by encouraging conferences of veterans. Late in July occurred an incident which the radicals were able to use to advantage. A crowd of negroes attending a convention in New Orleans in behalf of suffrage for their race became engaged in a fight with white anti-suffragists and many of the blacks were killed. The riot was commonly referred to in the North as a "massacre," the moral of which was that the negroes must be protected against the unrepentant rebels. But it was Johnson himself who furnished greatest aid to his adversaries. Having been invited to speak in Chicago, he determined upon an electioneering trip, "swinging around the circle," he called it. Again he was guilty of gross indiscretions. He made personal allusions, held angry colloquies with the crowd and at one place met such opposition that he had to retire unheard. It mattered little that the greater part of his speeches were sound and substantial. His lapses were held up to public scorn and he returned to Washington amid the hoots of his enemies. It was commonly believed that he had been intoxicated. Probably no orator, *The Nation* sarcastically remarked, ever accomplished so much by a fortnight's speaking. There could be little doubt as to the outcome of the elections. The Republicans carried almost every northern state and obtained a two-thirds majority in each house of Congress, with which to override vetoes.

As if impelled by some perverse fate the southern whites during the fall and winter of 1866–67 did the thing for which the bitterest enemy of the South might have wished. Except in Tennessee, the legislature of every confederate state refused with almost complete unanimity to ratify the Fourteenth Amendment. Natural as the act was, it gave the North apparently overwhelming proof that the former "rebels" were still de-

fiant. Encouraged by the results of the election and aroused by the attitude of the South toward the Amendment, Congress proceeded to encroach upon prerogatives that had hitherto been considered purely executive, and also to pass a most extreme plan of reconstruction.

The first of these measures, the Tenure of Office Act, was passed over a veto on March 2, 1867. By it the President was forbidden to remove civil officers except with the consent of the Senate. Even the members of the Cabinet could not be dismissed without the permission of the upper house, a provision inserted for the protection of Edwin M. Stanton, the Secretary of War. Stanton was in sympathy with the radical leaders in Congress and it was essential to them that he be kept in this post of advantage. General Grant, who had charge of the military establishment, was made almost independent of the President by a law drafted secretly by Stanton. On the same day, and over a veto also, was passed the Reconstruction Act, the most important piece of legislation during the decade after the war. It represented the desires of Thaddeus Stevens and was passed mainly because of his masterful leadership. At the outset the new Act declared the existing southern state governments to be illegal and inadequate, and divided the South into five military districts. Over each was to be a commanding general who should preserve order, and continue civil officers and civil courts, or replace them with military tribunals as he wished. Under his direction each state was to frame and adopt a new constitution which must provide for negro suffrage. When Congress should approve the constitution and when a legislature elected under its provisions should adopt the Fourteenth Amendment, the state might be readmitted to the Union.

The Reconstruction Act was remarkable in several features. The provision imposing negro suffrage was carried through the Senate with difficulty and only as the result of the tireless activity of Charles Sumner. Sumner and other radicals were determined that the blacks should be enfranchised in order that they might protect themselves from hostile local legislation and also in order that they might form part of a southern Republican party. Even more noteworthy was the military character of the Act. The President had already exercised his prerogative of declaring the country at peace on August 20, 1866, more than six months before the Act was passed. In the decision in the Milligan case, which preceded the Act by nearly three months, the Supreme Court had decided that military tribunals were illegal except where war made the operation of civil courts impossible. Military reconstruction was illogical, not to say unlawful, therefore, but Congress was more interested in a method that promised the speedy accomplishment of its purposes than it was in the opinions of the executive and judicial departments.

Despite his dissent from its provisions, the President at once set military reconstruction in operation. When he mitigated its harshness, however, where latitude was allowed him, Congress passed additional acts, over the veto, of course, extending and defining the powers of the commanding generals. Armed with complete authority, the generals proceeded to remove many of the ordinary civil officers and to replace them with their own appointees, to compel order by means of the soldiery, to set aside court decrees and even to close the courts and to enact legislation. In the meanwhile a total of 703,000 black and 627,000 white voters were registered, delegates to constitutional conventions were

elected, constitutions were drawn up and adopted which permitted negro suffrage, and state officers and legislators elected. In conformity with the provisions of the Act, the newly chosen legislatures ratified the Fourteenth Amendment to the Constitution, sent representatives and senators to Washington, where they were admitted to Congress, and by 1871 the last confederate state was reconstructed.

The commanding generals were honest and efficient, in the main, even if their stern rule was distasteful to the South, but the regime of the newly elected state officers and legislators was a period of dishonesty and incapacity. Most of the experienced and influential whites had been excluded from participation in politics through the operation of the presidential proclamations and the reconstruction acts. In all the legislatures there were large numbers of blacks—sometimes, indeed, they were in the majority. Two parties appeared. The radical or Republican group included the negroes, a few southern whites, commonly called "scalawags," and various northerners known as "carpet-baggers." These last were in some cases mere adventurers and in others men of ability who were attracted to the South for one reason or another, and took a prominent part in political affairs. The old-time whites held both kinds in equal detestation. The other party was called conservative or Democratic, and was composed of the great mass of the whites. Many of them had been Whigs before the war, but in the face of negro-Republican domination, nearly all threw in their lot with the conservatives.

Not all the activities of the legislatures were bad. Provisions were made for education, for example, that were in line with the needs of the states. Nevertheless, their conduct in the main was such as to drive

the South almost into revolt. In the South Carolina legislature only twenty-two members out of 155 could read and write. The negroes were in the majority and although they paid only $143 in taxes altogether, they helped add $20,000,000 to the state debt in four years. In Arkansas the running expenses of the state increased 1500 per cent.; in Louisiana the public debt mounted from $14,000,000 to $48,000,000 between 1868 and 1871. Only ignorance and dishonesty could explain such extravagance and waste. Submission, however, was not merely advisable; it presented the only prospect of peace. Open resentment was largely suppressed, but it was inevitable that the whites should become hostile to the blacks, and that they should dislike the Republican party for its ruthless imposition of a system which governed them without their consent and which placed them at the mercy of the incompetent and unscrupulous. A system which made a negro the successor of Jefferson Davis in the United States Senate could scarcely fail to throw the majority of southern whites into the ranks of the enemies of the Republican organization.[1]

One step remained to ensure the continuance of negro suffrage—the adoption of a constitutional provision. In 1869 Congress referred to the states the Fifteenth Amendment, which was declared in force a year later. By its terms the United States and the states are forbidden to abridge the right of citizens to vote on account of race, color or previous condition of servitude.

While radical reconstruction was being forced to its bitter conclusion, the opponents of the President were maturing plans for his impeachment and exclusion from office. By the terms of the Constitution, the chief executive may be impeached for "Treason, Bribery, or

[1] A number of these states later repudiated their debts.

other high Crimes and Misdemeanors." Early in the struggle between President Johnson and Congress a few members of the House of Representatives urged an attempt to impeach him. Such extremists as James M. Ashley of Ohio, and Benjamin F. Butler of Massachusetts, believed that he had even been implicated in the plot to assassinate Lincoln. A thorough-going search through his private as well as his public career failed to produce any evidence that could be interpreted as sufficient to meet constitutional demands, and a motion to impeach was voted down in the House by a large majority. So indiscreet a man as the President, however, was likely at some time to furnish a reason for further effort. The occasion came in the removal of the Secretary of War, Edwin M. Stanton.

Stanton, although of a domineering and brusque personality, had ably administered the War Department under Lincoln and Johnson. During the controversy between the President and Congress, Stanton had remained in the Cabinet but was closely in touch with his chief's opponents and had even drafted one of the reconstruction acts. Johnson had tolerated the questionable conduct of his Secretary, despite the advice of many of his supporters, until August 5, 1867, when he requested Stanton's resignation. The latter took refuge behind the Tenure of Office Act, denying the right of the President to remove him, but yielding his office at Johnson's insistence. This episode had occurred during a recess of Congress and, in accord with the law, the removal of Stanton was reported when it convened in December. The Senate at once refused to concur and Stanton returned to his office. The President now found himself forced, by what he regarded as an unconstitutional law, into the unbearable position of including one of his enemies within his

official family, and once more he ordered the Secretary to retire. But meanwhile the House of Representatives had been active and had on February 24, 1868, impeached the President for "high crimes and misdemeanors."

The trial was conducted before the Senate, as the Constitution provides, the Chief Justice of the Supreme Court acting as the presiding officer. The House chose a board of seven managers to conduct the prosecution, of whom Thaddeus Stevens and Benjamin F. Butler were best known. The President was defended by able counsel, including former Attorney-General Stanbery, Benjamin R. Curtis, who had earlier sat upon the Supreme Court, and William M. Evarts, an eminent lawyer and leader of the bar in New York. The charges, although eleven in number, centered about four accusations: (1) that the dismissal of Secretary Stanton was contrary to the Tenure of Office Act; (2) that the President had declared that part of a certain act of Congress was unconstitutional; (3) that he had attempted to bring Congress into disgrace in his speeches; and (4) that in general he had opposed the execution of several acts of Congress. The President's counsel asked for forty days in which to prepare their case. They were given ten, although members of the House had been preparing for more than a year to resort to impeachment. The trial lasted from early March to late May.

As the trial wore on, it became increasingly evident that the House had but little substance on which to base an impeachment, and that the force back of it was intense hatred of the President. It was made clear to senators who were inclined to waver towards the side of acquittal that their political careers were at an end if they failed to vote guilty. The general

conference of the Methodist Episcopal Church even appointed an hour of prayer that the Senate might be moved to convict. The lawyers for the defense so far outgeneraled the prosecutors that one who reads the records at the present day finds difficulty in thinking of them as more than the account of a pitiful farce. At length on May 16 the Senate was prepared to make its decision. The last charge was voted upon first. It was a very general accusation, drawn up by Stevens, and seemed most likely to secure the necessary two-thirds for conviction. Fifty-four members would vote. Twelve of them were Democrats and were known to be for acquittal. The majority of the Republicans were for conviction. A small group had given no indication of their position, and their votes would be the decisive ones. As the roll was called each senator replied "Guilty" or "Not guilty," while floor and galleries counted off the vote as the knitting women clicked off the day's toll of heads during the days when the guillotine made a reign of terror in France. The result was thirty-five votes for conviction and nineteen for acquittal. As thirty-six were necessary, Johnson had escaped. A recess of ten days was taken during which the prosecution sought some shred of evidence which might prove that some one of the nineteen had accepted a bribe for his vote, but to no avail. When the Senate convened again there was no change in the vote on the second and third articles, and the attempt to convict was abandoned.

For the first time in many months Johnson enjoyed a respite from the attacks of his foes. Stanton relinquished his office, and the integrity of the executive power was preserved. The race of the dictator of the House had been run, for Stevens lived less than three months after the trial.

The continuous controversies of the Johnson administration almost completely pressed into the background two diplomatic accomplishments of no little importance. The more dramatic of these related to the French invasion of Mexico. During 1861, naval vessels of England, France and Spain had entered Mexican ports in order to compel the payment of debts said to be due those countries, but England and Spain had soon withdrawn and had left France to proceed alone. French troops thereupon had invaded the country, captured Mexico City and established an empire with Archduke Maximilian of Austria as its head, despite the protests and opposition of the Mexicans under their leader Juarez. The United States had expressed dissent and alarm, meanwhile, but because of the war was in no position to take action.

As soon as civil strife was finished, however, Johnson and Seward took vigorous steps. An army under General Sheridan was sent to the border, and diplomatic pressure was exerted to convince France of the desirability of withdrawal. The occupation of Mexico was, apparently, not popular in France, and in the face of American opposition the French government sought a means of dropping the project. Accordingly the invading forces were withdrawn early in 1867, leaving the hapless Maximilian to the Mexicans, by whom he was subsequently seized and executed.

While the Mexican difficulty was being brought to a successful outcome, the government of Russia offered to sell to the United States her immense Alaskan possessions west and northwest of Canada. Secretary Seward was enthusiastically disposed to accept the offer and a treaty was accordingly drawn up on March 30, 1867, providing for the acquisition of the territory for $7,200,000. The Senate, however, was far less in-

clined to seize the opportunity. Little was known about Alaska, and the cost seemed almost prohibitive in view of the financial strains caused by the war. Nevertheless the inclination to acquire territory was strong and there was a widespread desire to accede to the wishes of Russia who was understood to have been well-disposed toward the United States during the war. Under the operation of these forces the Senate changed its attitude and ratified the treaty on April 9, 1867. By this act the United States came into possession of an area measuring nearly 600,000 square miles, and stores of fish, furs, timber, coal and precious metals whose size is even yet little understood.

It was not long before it became apparent that radical reconstruction had been founded too little upon the hard facts of social and political conditions in the South, and too much upon benevolent but mistaken theories, and upon prejudices, partisanship and emotion. It was inevitable that there should be an aftermath.

At the close of reconstruction in 1871, the southern negro was a citizen of civil and political importance. As a voter, he was on an equality with the whites; he belonged to the Republican party and his party was a powerful factor in the politics of the South; his position was secured, or at least seemed to be secured, by amendments to the federal Constitution. Legally and constitutionally his position appeared to be impregnable. In the minds of the southern white, however, the amendments vied with military reconstruction in their injustice and unwisdom. To his mind they constituted an attempt to abolish the belief of the white man in the essential inferiority of the black, to make the pyramid of government stand on its apex, and to

place the very issues of existence within the power of the congenitally unfit. To the discontent aroused by war were added political and racial antagonism, which blazed at times into fury. The southern whites began to invent methods for overcoming the power of the freedmen in politics and for insuring themselves against possible danger of violence at the hands of the blacks.

The most famous device was the Ku Klux Klan or the Invisible Empire, a somewhat loosely organized secret society which originated in Tennessee during the turmoil immediately after the close of the war. In theory and practice its operations were simple and effective. Its chief officials were the Grand Wizard, the Grand Dragon, the Grand Titan. Local branches were Dens, each headed by a Grand Cyclops. The Den worked usually at night, when the members assembled clad in long white robes and white masks or hoods, discussed cases which needed attention, and then rode forth on horses whose bodies were covered and whose feet were muffled. The exploits of the Klan expanded, in the exaggerated stories common among the negroes, into the most amazing achievements. The members were thought to be able to take themselves to pieces, drink entire pailfuls of water, and devour "fried nigger meat." Usually the person about to be "visited" received a notice that the dreaded Klan was upon him. He was warned to cease his political activities or perhaps to leave the neighborhood. If the threat proved ineffective, whipping or some worse punishment was likely to follow.

In 1872 Congress unintentionally aided in the process of overcoming negro domination by the passage of the Amnesty Act, which restored to all but a few hundreds of the former Confederates the political privileges

which had been taken from them by the Fourteenth Amendment. Under the latter the great majority of former southern leaders had been deprived of the right to hold office. On the restoration of this right such men as Alexander H. Stephens, former Vice-President of the Confederate States, and Wade Hampton, one of the most influential South Carolinians, could again take an active part in politics. With their return, the cause of white supremacy received a powerful impetus.

In taking this step, however, Congress did not intend to allow the legal and constitutional rights of the blacks to be waived without a contest. Reports reached the North concerning the activities of the southern whites—reports which in no way minimized the amount of intimidation and violence involved—and in response to this information Congress passed the enforcement laws of 1870–1871, generally known as the "Force Acts."[1] These laws laid heavy penalties upon individuals who should prevent citizens from exercising their constitutional political powers—primarily the right to vote. As offences under these acts were within the jurisdiction of the federal courts and as the federal officials manifested an inclination to carry out the law, the number of indictments was considerable. Convictions, however, were infrequent. The famous Ku Klux Act of 1871 amplified the law of 1870 and was aimed at combinations or conspiracies of persons who resorted to intimidation. It authorized the President to suspend the privilege of the writ of *habeas corpus* and made it his duty to employ armed force to suppress opposition.

[1] The threats used to keep the negroes away from the polls are typified in the following, which was published in Mississippi:

"The Terry Terribles will be here Monday to see there is a fair election.—

Additional sting was given the enforcement laws by provision for the superintendence of federal elections, under specified conditions, by federal officials called "supervisors of election." The supervisors were given large powers over the registration of voters and the casting and counting of ballots, so as to ensure a fair vote and an honest count. Since here, again, federal troops stood behind the law, it was manifest that the central government would show some degree of determination in its handling of the southern situation. Nevertheless, the result was merely to delay the gradual elimination of the blacks from political activity, not to prevent it. In practice the Republican state governments in the South were continued in the seats of authority only through the presence of the federal soldiery. In one way or another the whites gained the upper hand, so that by 1877 only South Carolina and Louisiana had failed to achieve self-government unhampered by federal force.

In the meantime the enforcement acts were being slowly weakened by the Supreme Court in several decisions bearing upon the Fourteenth Amendment. The significant portion of Section I of the Amendment is as follows:

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

"The Byram Bulldozers will be here Monday to see there is a fair election.

"The Edwards Dragoons will be here Monday to see there is a fair election.

"Who cares if the McGill men don't like it?

"The whole State of Mississippi is interested in the election.

"It *shall* be a Democratic victory."

In several cases involving the enforcement acts, the Court found portions of the laws in conflict with the Constitution and finally, in 1883, the decision in United States *v.* Harris completed their destruction. Here the court met a complaint that a group of white men had taken some negroes away from the officers of the law and ill-treated them. Such conduct seemed to be contrary to that part of the Ku Klux Act which forbade combinations designed to deprive citizens of their legal rights. The Court, however, called attention to the important words, "No *State* shall make or enforce," and was of opinion that the constitutional power of Congress extends only to cases where *States* have acted in such a manner as to deprive citizens of their rights. If *individuals,* on the contrary, conspire to take away these rights, relief must be sought at the hands of the state government. As the great purpose of the Ku Klux Act had been to combat precisely such individual combinations, it appeared that the Court had, at a blow, demolished the law. Not long afterwards the Court declared unconstitutional the Civil Rights Act of 1875, which had been designed to insure equal rights to negroes in hotels, conveyances and theatres. Here again the Court was of opinion that the Fourteenth Amendment grants no power to the United States but forbids certain activities by the states.[1]

Stuffing the ballot box was common in South Carolina and other states. In one election in this state the number of votes cast was almost double the number the names on the polling list. In some places the imposition of a poll tax peacefully eliminated the im-

[1] In regard to segregation of the races in railroad coaches, the Court decided, 1910, that constitutional rights are not interfered with when separate accommodations are provided, if the accommodations be equally good. Chiles *v.* Chesapeake and Ohio Railroad Co., 218 U. S., 71.

pecunious freedman. In Mississippi the state legislature laid out the "shoestring" election district, 300 miles long and about 20 miles wide, which included many of the sections where the negroes were most numerous, in order that their votes might have as little effect as possible. By hook or by crook, then, in simple and devious ways, the dangers of negro domination were averted. Nevertheless the provisions of the law for federal supervision of elections remained, becoming a bone of contention during a later administration.

About 1890 there began a new era in the elimination of the negro from politics in the South. The people of that section disliked the methods which they felt the necessity of using, and searched about for a less crude device. Furthermore the rise of a new political movement in some parts of the South in the late eighties and early nineties was making divisions among the Democrats and was encouraging attempts by the two factions to control the negro vote. Suddenly, a relatively small number of negro voters became a powerful and purchasable make-weight. Both sides, perhaps, were a bit disturbed at this development. At any rate, additional impetus was given to the movement for the suppression of the negro. Eventually plans were originated, some of which were clearly constitutional and all of which carried a certain appearance of legality.

The first steps were taken by Mississippi in 1890. The new state constitution of that year required as prerequisite to the voting privilege, the payment of all taxes which were legally demanded of the citizen during the two preceding years—a provision to which no constitutional exception could be taken, and which effectively debarred large numbers of colored voters. Further, it provided that after January 1, 1892, every voter must be able to read any section of the state con-

stitution or be able to give an interpretation of it *when read to him.* As the election officials who would judge the ability of the applicant properly to interpret the constitution would certainly be whites, it was clear that the ignorant black would have scant chance of passing the educational test. Several other states followed in the wake of Mississippi, until in 1898 Louisiana discovered a new barrier through which only whites might make their way to the voting lists. This was the famous "grandfather clause." In brief, it allowed citizens to vote who had that right before January 1, 1867, together with the descendants of such citizens, regardless of their educational and property qualifications. As no negroes had voted in the state before that date, they were effectively debarred. Under the influence of such pressure, the negro vote promptly dwindled away to negligible proportions. In Louisiana, to cite one case, there were 127,263 registered colored voters in 1896, and 5,354 in 1900. Between these two years the new state constitution had been passed. In 1915 the Supreme Court finally declared a grandfather clause unconstitutional on the ground that its only possible intention was to evade that provision of the Fifteenth Amendment which forbids the states to abridge, on account of color, the rights of citizens of the United States to vote.

The history of the effects of the war and of reconstruction on the political status of the negro has been concisely summarized as falling into three periods. At the close of the war: (1) the negroes were more powerful in politics than their numbers, intelligence and property seemed to justify; (2) the Republican party was a power in the South; and (3) the negroes enjoyed political rights on a legal and constitutional equality with the whites. By 1877 the first of these

generalizations was no longer a fact; by 1890 the Republican party had ceased to be of importance in the South; and by the opening of the twentieth century, the negro as a possible voter was not on a legal and constitutional equality with the white.

In the sphere of government the war and reconstruction were of lasting importance. Preeminently it was definitely established that the federal government is supreme over the states. Although the Constitution had seemed to many to establish that supremacy in no uncertain terms, it can not be doubted that only as a result of the war and reconstruction did the theory receive a degree of popular assent that approached unanimity. Temporarily, at least, reconstruction added greatly to the prestige and self-confidence of Congress. During the war the powers of the President had necessarily expanded. The reaction, although hastened by the character and disposition of President Johnson, was inevitable. The depression of the executive elevated the legislature and not until the beginning of the twentieth century did the scales swing back again toward their former position.

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CHAPTER II

IN PRESIDENT GRANT'S TIME

ASIDE from President Lincoln, the most prominent personality on the northern side during the latter part of the Civil War was General Ulysses S. Grant. His successes in the Mississippi Valley in the early days of the war, when success was none too common, his capture of Vicksburg at the turning point of the conflict, and his dogged drive toward Richmond had established his military reputation. When the drive toward Richmond resulted at last in the capture of Lee's army and its surrender at Appomattox, the victorious North turned with gratitude to Grant and made him a popular idol, while the politicians began to question whether his popularity might not be put to account in the field of politics.

Grant himself had never paid any attention to matters of government. In only one presidential election had he so much as voted for a candidate, and then it was for a Democrat, James Buchanan. In 1860 he was prevented from voting for Senator Stephen A. Douglas and against Abraham Lincoln only by the fact that he had not fulfilled the residence requirement for suffrage in the town where he was living. Nevertheless in his capacity as general of the army his headquarters after the war were in Washington and his duties brought him into contact with the politicians and eventually entangled him in the controversy between the President and Congress. Circumstances at

first threw him into close association with Johnson, but at the time of the Stanton episode late in 1867 a misunderstanding arose between them which developed into a question of veracity, and then into open hostility. The opponents of the President took up the General's case with alacrity and from then on the popular hero was looked upon as the inevitable choice for the next Republican nomination.

The convention of the National Union Republican Party, as it was called at that time, was held in Chicago, May 20, 1868, during the interval between the votes on the eleventh and second charges of the impeachment of President Johnson. General Grant was unanimously nominated for the presidency and Schuyler Colfax, Speaker of the House of Representatives, for the second place on the ticket. The platform portrayed the benefits of radical reconstruction and defended negro suffrage in the South. In the North at that time the black was commonly denied the vote—the Fifteenth Amendment having not yet been ratified—and the convention accordingly declared that the question of suffrage in all the "loyal" states properly belonged in the states themselves. Other planks asserted that the public debt ought to be paid in full, that pensions for the veterans were an obligation and that immigration ought to be encouraged. The administration of President Johnson was denounced and the thirty-five senators who voted for his conviction in the impeachment trial were commended.

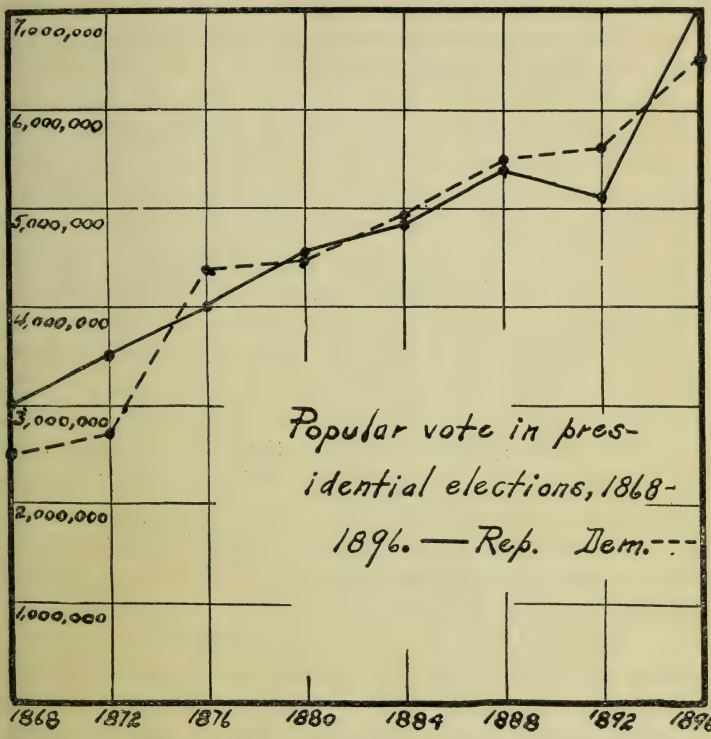
The Democrats met at Tammany Hall in New York on July 4. Their platform approved the pension laws, advocated the sale of public land to actual occupants, praised the administration of President Johnson, arraigned the radicals and declared the reconstruction acts "unconstitutional, revolutionary, and void." If

the radical party should win in the election, the Democrats asserted, the result would be "a subjected and conquered people, amid the ruins of liberty and the scattered fragments of the Constitution." The regulation of the suffrage, one plank declared, had always been in the hands of the individual states. The most prominent place in the platform, however, was given to the question of the public debt. Part of the bonds issued during the war had, by acts of Congress, been made payable in "dollars," a word which might mean either paper dollars or gold dollars. Paper, however, was much less valuable than gold, times were hard, and many people held the opinion that the debt could properly be paid in paper. Such was the "Ohio idea," which was made part of the Democratic platform.

The choice of a candidate required twenty-two ballots. Early trials indicated the strength of George H. Pendleton, popularly known as "Gentleman George" and the chief exponent of the "Ohio idea." Johnson also had support. Chief Justice Salmon P. Chase, having failed to obtain the Republican nomination, allowed it to be known that he was willing to become the Democratic candidate. At length, on the twenty-second ballot, a few votes were cast for Governor Horatio Seymour of New York, the chairman of the convention. The move met with enthusiastic approval, despite Seymour's insistence that he would not be a candidate, and he was unanimously chosen.

The developments of the campaign depended largely upon occurrences in the South. Military reconstruction had not been wholly completed in Virginia, Mississippi, Texas and Georgia. The last of these states had once been readmitted to the Union, but had immediately expelled the negro members of its legislature, and was thereupon placed again under military

rule. The Ku Klux Klan was meanwhile in general operation throughout the South and its activities, both real and imaginary, received wide advertisement in the North. Public interest, therefore, in the underlying issues of the campaign centered upon the attitude



of the candidates toward the southern question. General Grant was understood to be with the radicals and Seymour with the conservatives. The result of the election was the choice of the Republican leader by an apparently large majority. He carried twenty-six out of thirty-four states, with 214 out of 294 electoral votes,

but he received a popular majority of only 300,000. Examination of the returns indicated a strong conservative minority in many of the solid Republican states. The strength of the radicals in the South, moreover, was due, in the main, to negro-carpetbag domination, and when these states should become conservative, as they were sure to do, the political parties would be almost evenly divided.[1]

The man who was now entering upon his first experience as the holder of an elective office had risen from obscurity to public favor in the space of a few years. Although a graduate of West Point, with eleven years of military experience afterward, his career before 1861 had been hardly more than a failure. He had left the army in 1854 rather than stand trial on a charge of drunkenness; had grubbed a scanty living out of "Hard Scrabble," a farm in Missouri; had tried his hand at real estate, acted as clerk in a custom-house and worked in a leather store at $800 a year. Then came the war, and in less than three years Grant had received the title of Lieutenant-General, which only Washington had borne before him, and had become General-in-Chief of all the armies of the United States. Always an uncommunicative man, he kept his own counsel during the interval between his election and his inauguration. He saw few politicians, asked no advice about his cabinet, sought no assistance in preparing his inaugural address and made no suggestions to the leaders of his party concerning legislation that he would like to see passed. His first act, the appoint-

[1] The closing months of Johnson's administration found him almost in a state of isolation. The incoming President refused to have any social relations with him, or even to ride with him from the White House to the Capitol on inauguration day. After the installation of his successor, Johnson returned to Tennessee but was later chosen to the Senate, where he served but a short time before his death.

ment of his cabinet, caused a gasp of surprise and dismay. Most of the men named were but little known and some of them were not aware that they were being chosen until the list was made public. The Secretary of State, Elihu Washburne, was a close personal friend, and was appointed merely that he might hold the position long enough to enjoy the title and then retire. He was succeeded by Hamilton Fish, of New York, who proved to be a wise choice. The Secretary of the Treasury was A. T. Stewart, a rich merchant of New York, but he had to withdraw on account of a law forbidding any person "interested in carrying on the business of trade or commerce" to hold the office. The Secretary of the Navy, A. E. Borie, was a rich invalid of Philadelphia, who had almost no qualifications for his office and resigned at once. Better appointments were former Governor J. D. Cox, of Ohio, as Secretary of the Interior, and Judge E. R. Hoar, of Massachusetts, as Attorney-General.

When the Congress elected with Grant assembled in 1869 its first act was a measure providing for the payment of the public debt in coin. Part of the Tenure of Office Act was repealed, the President having indicated his opposition to it. On the southern question General Grant had earlier inclined toward moderation, but radical counsels and the logic of events led him to join Congress in the passage of the enforcement act and the Ku Klux Act, both of which have already been mentioned.

It was during this, the first year of Grant's administration, that there occurred the famous gold conspiracy of 1869. Jay Gould and James Fisk, Jr., two of the most unscrupulous stock gamblers of the time, determined to corner the supply of gold and then run its market price up to a high level, in order to further

certain interests which they had recently purchased. The likelihood that the conspirators could carry out the plan depended largely on the Secretary of the Treasury, George S. Boutwell, who was accustomed to sell several millions of dollars' worth of gold each month. If the sales could be stopped Gould and Fisk might be successful. Accordingly, they got on friendly terms with the President through cultivating the acquaintance of his brother-in-law, were seen publicly with him at the theatre and other places, and subsequently he wrote to the Secretary expressing his opinion that the sales had better stop. Gould apparently was informed of this decision by the brother-in-law, even before the message reached the Secretary, and immediately bought up so much gold as to run the price to an unparalleled figure. This was on "Black Friday," September 24. The Secretary became alarmed, rumors were abroad that the administration was implicated in the conspiracy, and at noon, after consultation with the President, he decided to place four millions in gold on the market. At once the price dropped, brokers went bankrupt, and Gould and Fisk had to take refuge behind armed guards to save their lives. The President had not been a party to the plans of the speculators, but his blindness to their real purposes and his association with them during the period when their scheme was being perfected made him a target for all manner of accusations.

Further astonishment was caused by the attitude of the President toward two of the three really able men in his cabinet. In June, 1870, he suddenly called for the resignation of Judge Hoar. It appeared that he was seeking votes in the Senate for a treaty in which he was interested and that certain southern members demanded the post of attorney-general for a southern

man in return for their support. Secretary Cox's resignation came soon afterward. He had taken his department out of politics, had furthered the cause of civil service reform and had protected his employees from political party assessments. These acts brought him into collision with the politicians, who had the ear of the President, and Cox had to retire. Both Hoar and Cox were succeeded by mediocre men.

The treaty which caused the removal of Secretary Hoar was one that the President had arranged providing for the annexation of San Domingo. The Senate was opposed to ratification, but General Grant was accustomed to overcoming difficulties and he urged his case with all the power at his command. One result was an unseemly wrangle between the President and Senator Charles Sumner over the latter's refusal to support ratification. General Grant, in resentment, procured the withdrawal of the Senator's friend, John Lothrop Motley from England, whither he had been sent as minister, and later the exclusion of Sumner from the chairmanship of the Committee on Foreign Relations, a post in which he had displayed great ability for ten years. Eventually the President had to give way on San Domingo, as the Senate did not agree with him in his estimate of its probable value.

In its conduct of our relations with England, on the other hand, the administration met with success and received popular approval. Ever since the war the people of the North had desired an opportunity to make Great Britain suffer for her attitude during that struggle. Senator Sumner struck a popular chord when he suggested that England should pay heavy damages on the ground that her encouragement of the South had prolonged the war. Specifically, however, the United States demanded reparation for destruction

committed by the *Alabama* and other vessels that had been built in English ports. In 1870 Europe was in a state of apprehension on account of the Franco-Prussian War, and Secretary Fish seized the opportunity to press our claims upon England. The latter, meanwhile, had abated somewhat her earlier attitude of unwillingness to arbitrate, and Fish placed little emphasis on Senator Sumner's suggestions of a claim for indirect damages. The Treaty of Washington, signed and ratified in May, 1871, provided for the arbitration of the *Alabama* claims under such rules that a decision favorable to the American side of the case was made exceedingly probable. Each of five governments appointed a representative—the United States, Great Britain, Italy, Switzerland and Brazil. The meeting took place in Geneva and resulted favorably to the American demands. England was declared to have failed to preserve the proper attitude for a neutral during the war and was ordered in 1872 to make compensation in the amount of $15,500,000.

The United States had need of any feeling of national pride that might come as the result of the Geneva award, to offset the shame of domestic revelations, for one of the characteristics of the decade after the war was the wide-spread corruption in political and commercial life. One of the most flagrant examples was the Tweed Ring in New York. The government of that city was in the hands of a band of highwaymen, of whom William M. Tweed, the leader of Tammany Hall, was chief. Through the purchase of votes and the skilful distribution of the proceeds of their control, they managed to keep in power despite a growing suspicion that something was wrong. A favorite method of defrauding the city was to raise an account. One who had a bill against the city for $5,000 would be asked

to present one for $55,000. When he did so, he would receive his $5,000 and the remainder would be divided among the members of the Ring. The plasterer, for example, who worked on the County Court House presented bills for nearly $3,000,000 in nine months. The New York *Times* and the cartoons of Thomas Nast in *Harper's Weekly* were the chief agents in arousing the people of the city to their situation. The former obtained and published proofs of the rascality of the Ring, mass meetings were held and an election in November, 1871, overturned Tweed and his associates. Some of them fled from the country, while Tweed himself died in jail.

More important both because of its effect on national politics and because of its influence on railway legislation for many years afterward was the Credit Mobilier scandal. The Credit Mobilier was a construction company composed of a selected group of stockholders of the Union Pacific Railroad, the transcontinental line which was being built between 1865 and 1869. In their capacity of railroad stockholders they awarded themselves as stockholders of the construction company the contract to build and equip a large part of the railway. The terms which they gave themselves were so generous as to insure a handsome profit. Chief among the members of the Credit Mobilier was Oakes Ames, a member of Congress from Massachusetts. Late in 1867 Ames became fearful of railroad legislation that was being introduced in Washington and he therefore decided to take steps to protect the enterprise. He was given 343 shares of Credit Mobilier stock, which he placed among members of Congress where, as he said, they would "do most good." Rumors concerning the nature of the transaction resulted finally in accusations in the New York *Sun* during 1872, which involved

the names of many prominent politicians. Congressional committees were at once appointed to investigate the charges, and their reports caused genuine sensations. Ames was found guilty of selling stock at lower than face value in order to influence votes in Congress and was censured by the House of Representatives. The Vice-President, Schuyler Colfax, and several others were so entangled in the affair as to lose their reputations and retire from public life for good. Still others such as James A. Garfield were suspected of complicity and were placed for many years on the defensive.

Fear was wide-spread that political life in Washington was riddled with corruption. Corporations which were large and wealthy for that day were already getting a controlling grip on the legislatures of the states, and if the Credit Mobilier scandal were typical, had begun to reach out to Congress. Had the charges been made a little earlier they might have influenced the election of 1872, which turned largely on certain omissions and failings of the administration, and especially of General Grant himself.

There is something intensely pathetic in General Grant as President of the United States—this short, slouchy, taciturn, unostentatious man who was more at ease with men who talked horses than with men who talked government or literature; this President who was unacquainted with either the theory or the practice of politics, who consulted nobody in choosing his cabinet or writing his inaugural address, who had scarcely visited a state capital except to capture it and had been elected to the executive chair in times that were to try men's souls. An indolent man, he called himself, but the world knew that he was tireless and irresistible on the field when necessity demanded, per-

sistent, imperturbable, simple and direct in his language, and upright in his character. The tragedy of President Grant's career was his choice of friends and advisors. In Congress he followed the counsels of second-rate men who gave him second-rate advice; outside he associated too frequently with questionable characters who cleverly used him as a mask for schemes that were an insult to his integrity, but which his lack of experience and his utter inability to judge character kept hidden from his view. Honorable himself and loyal to a fault to his friends, he believed in the honesty of men who betrayed him, long after the rest of the world had discovered what they were. He could accept costly gifts from admirers and appoint these same men to offices, without dreaming that their generosity had sprung from any motive except gratitude for his services during the war.[1]

It was inevitable, in view of these facts, that the presidential campaign of 1872 should be essentially an anti-Grant movement, but its particular characteristics had their origin before the General's first election. In 1865 a constitutional convention in Missouri had deprived southern sympathizers of the right to vote and hold office. A wing of the Republican party, led by Colonel B. Gratz Brown, had begun a countermovement, intended to remove the restrictions on the southerners, and also to reform other abuses in the state. Colonel Brown had early received the assistance of General Carl Schurz, a man of ability with the temperament of a reformer. The Brown-Schurz fac-

[1] In 1884, a year before his death, the dishonesty of a trusted friend left him bankrupt, while a painful and malignant disease began slowly to eat away his life. Nevertheless, with characteristic courage he set himself to the task of dictating his *Memoirs*, or more often penciling sentences when he was unable to speak, in order that he might repay his debts with the proceeds.

tion had quickly increased in numbers, had become known as the Liberal Republican party and had attracted such interest throughout the country that a national conference was called for May, 1872, at Cincinnati. In adopting a conciliatory southern policy, the Liberal Republicans became opposed to the President, who had by this time become thoroughly committed to the radical program. Other critics of the administration, mainly Republicans, became interested in the Liberal revolt—those who deprecated the President's choice of associates and advisors, the civil service reformers who were aroused by the dismissal of Secretaries Hoar and Cox, and the tariff reformers who had vainly attempted to arouse enthusiasm for their plans.

On account of the varied character of the elements which composed it and the independent spirit of its members, the Cincinnati assembly resembled a mass meeting rather than a well-organized political conference. It numbered among its members, nevertheless, many men of influence and repute. Some of the most powerful newspaper editors of the country, also, were friendly to its purpose, so that it seemed likely to be a decisive factor in the coming campaign. In most respects the platform reflected the anti-Grant character of the convention. It condemned the administration for keeping unworthy men in power, favored the removal of all disabilities imposed on southerners because of the rebellion, objected to interference by the federal government in local affairs—a reference to the use of troops to enforce the radical reconstruction policy—and advocated civil service reform. The convention found difficulty in stating its attitude toward the tariff question. It was deemed necessary to get the support of Horace Greeley, the editor of the New

York *Tribune,* the most powerful northern newspaper of Civil War times, but Greeley was an avowed protectionist. The platform, therefore, evaded the issue by referring it to the people in their congressional districts, and to Congress. But the rock on which the movement met shipwreck was the nomination of a candidate. Many able men were available—Charles Francis Adams, who had been minister to England, Senator Lyman Trumbull, B. Gratz Brown and Judge David Davis of the Supreme Court. Any one of them would have made a strong candidate. The convention, however, passed over all of them and nominated Greeley, long known as being against tariff reform, against civil service reform and hostile to the Democrats, whose support must be obtained in order to achieve success. Although a journalist of great influence and capacity, Greeley was an erratic individual, whose appearance and manner were the joy of the cartoonist.

The Republican convention met on June 5, and unanimously re-nominated Grant. The platform recited the achievements of the party since 1861, urged the reform of the civil service, advocated import duties and approved of the enforcement acts and amnesty.

To the Democrats the greatest likelihood of success seemed to lie in the adoption of the Liberal Republican nominee and platform. Such a course, to be sure, would commit them to a candidate who had excoriated their party for years in his newspaper, and to the three war amendments to the Constitution, which the Liberal Republicans had accepted. Yet it promised the South relief from military enforcement of obnoxious laws, and that was worth much. Both Greeley and his platform were accordingly accepted.

The enthusiasm for the Liberal movement which was

observable at the opening of the campaign rapidly dwindled as the significance of the nomination became more clear. Greeley was open to attack from too many quarters. The cartoons of Nast in *Harper's Weekly,* especially, held him up to merciless ridicule. In the end he was defeated by 750,000 votes in a total of six and a half million, a disaster which, together with the death of his wife and the overwork of the campaign resulted in his death shortly after the election. As for the Republicans they elected not only their candidate but also a sufficient majority in Congress to carry out any program that the party might desire.

On March 3, 1873, as Grant's first term was drawing to a close, Congress passed a measure increasing the salary of public officials from the President to the members of the House of Representatives. The increase for Congressmen was made retroactive, so that each of them would receive $5,000 for the two years just past. To a country whose fears and suspicions had been aroused by the Credit Mobilier scandal, the "salary grab" and the "back pay steal" were fresh indications that corruption was entrenched in Washington. Senators and Representatives began at once to hear from their constituencies. Many of them returned the increase to the treasury and when the next session opened, the law was repealed except so far as it applied to the president and the justices of the Supreme Court.

The congressional elections of 1874 indicated the extent of the popular distrust of the administration. In New York, where Samuel J. Tilden was chosen governor, and in such Republican strongholds as Massachusetts and Pennsylvania the Democrats were successful. In the House of Representatives the Republican two-thirds majority was wiped out and the Demo-

crats given complete control. Even the redoubtable Benjamin F. Butler lost his seat.

Further apprehensions were aroused by rumors concerning the operations of a "Whiskey Ring." For some years it had been suspected that a ring of revenue officials with accomplices in Washington were in collusion with the distillers to defraud the government of the lawful tax on whiskey. Part of the illegal gains were said to have gone into the campaign fund for Grant's re-election, although he was ignorant of the source of the revenue. Benjamin H. Bristow, who became Secretary of the Treasury in 1874, began the attempt to stop the frauds and capture the guilty parties. This was no simple task, because information of impending action was surreptitiously sent out by officials in Washington. Finally Secretary Bristow got the information which he sought, and then moved to capture the criminals. One of the most prominent members of the Ring was an internal revenue official in St. Louis who, it was recollected, had entertained President Grant, had presented him with a pair of horses and a wagon, and had given the General's private secretary a diamond shirt-stud valued at $2,400. Public opinion was yet further shocked, however, when the trail of indictments led to the President's private secretary, General Babcock. On first receiving the news of Bristow's discoveries, Grant had written "Let no guilty man escape"; but later he became secretly and then openly hostile to the investigation. During the trial of Babcock, the President asked to be a witness in his behalf. A verdict of acquittal was given, but afterwards the two men had a private conference, and when "Grant came out, his face was set in silence." Babcock never returned to the White House as Secre-

tary, but was given the post of Superintendent of Public Buildings and Grounds. Several of the members of the Ring were imprisoned but were later pardoned by the President. In the meanwhile Grant seems to have been brought to believe that Bristow was persecuting Babcock with a view to getting the favor of the reform element in the party and eventually the presidential nomination. Relations between the two became strained and Bristow resigned.

The last year of Grant's second administration was blackened by the case of W. W. Belknap, who was then Secretary of War. Investigation by a House committee uncovered the fact that since 1870 an employee in the Indian service had paid $12,000 and later $6,000 a year for the privilege of retaining his office. The money had been paid at first to Mrs. Belknap, who had made the arrangement, and after her death to the Secretary himself. The House unanimously voted to impeach him, but on the day when the vote was taken he resigned and the President accepted the resignation. Only the fact that he was out of office prevented the Senate from declaring him guilty, and critics of the administration noted that the President had saved another friend from deserved punishment.

It would be easy to over-estimate the responsibility of General Grant for the political corruption of his administrations. For the most part the wrong-doing of the time began before his first election. Democrats as well as Republicans participated in many of the scandals. Politicians in the cities, the states and the nation seemed to be determined to have a share in the enormous wealth that was being created in America, and they got it by means that varied from the merely unethical and indiscreet, to the openly corrupt. As for the President, his own defence, given in his last mes-

sage to Congress, may be taken as the best one: "Failures have been errors of judgment, not of intent."

Under the circumstances, however, it was natural that the presidential campaign of 1876 should turn upon the failings of the administration. Popular interest in the southern issue was on the wane. Early in the election year, nevertheless, James G. Blaine, Republican leader in the House, made a forceful attack on Jefferson Davis, as the wilful author of the "gigantic murders and crimes at Andersonville," the southern prison in which federal captives had been held. Instantly the sectional hatred flared up and Blaine, already a well-known leader, became a prominent candidate for the nomination. Republican reformers generally favored Bristow. A third-term boom for Grant was effectively crushed by an adverse resolution in the House.

The Republican nominating convention met on June 14. The virtues of Blaine were set forth in a famous speech by Robert G. Ingersoll in which he referred to the attack on Davis: "Like an armed warrior, like a plumed knight James G. Blaine marched down the halls of the American Congress and threw his shining lance full and fair against the brazen forehead of every traitor to his country." The "plumed knight," however, was open to attack concerning a scandal during the Grant regime, and the convention turned to Governor Rutherford B. Hayes, of Ohio, a man of quiet ability who had been unconnected with Washington politics, was relatively unknown and, therefore, not handicapped by the antagonisms of previous opponents. The platform emphasized the services of the party during the war, touched lightly on the events of the preceding eight years, advocated payment of the public debt, and favored import duties and the reform of the civil service.

The Democrats met on June 27. There was little opposition to the nomination of Governor Samuel J. Tilden, of New York, a wealthy lawyer who had made a record as a reformer in opposition to "Boss" Tweed and a corrupt canal ring. The platform was distinctly a reform document. It demanded reform in the governments of states and nation, in the currency system, the tariff, the scale of public expense, and the civil service. An eloquent paragraph exhibited those corruptions of the administration which had caused such general dismay.

There was little in the campaign that was distinctive, and on November 8, the morning after the election, it seemed clear that Tilden had been successful. He had carried the doubtful states of Connecticut, New York, New Jersey and Indiana. When the figures were all gathered, it was found that his popular vote exceeded that of his rival by more than 250,000. But there were disputes in three states, Florida, Louisiana and South Carolina. Hayes would be elected only if the electoral votes of all these states could be obtained for him. If, however, Tilden received even one electoral vote from any of the states, the victory would be his. Hayes was conceded 166 electoral votes; Tilden 184. Nineteen were in dispute. The Republican leaders at once claimed the nineteen disputed votes, and asserted that their candidate was elected. The Democrats had no doubt of the victory of Tilden.[1] The capitals of the three doubtful states now became the centers of observation. Troops had long been stationed in South Carolina and Louisiana, and others were promptly sent to Florida. Prominent politicians from both parties also flocked thither, in order to uphold the party interests.

1 There was also a technical question concerning one elector in Oregon, which was easily settled.

In South Carolina it became evident that a majority of the popular vote was for Hayes, although both the Democratic and the Republican electors sent in returns to Washington. In Florida there was a board of canvassers which had power to exclude false or fraudulent votes. It was composed of two Republicans and one Democrat. When all ballots had been sent in, the Democrats claimed a majority of ninety; the Republicans a majority of forty-five. The board went over the returns and by a partisan vote threw out enough to make the Republican majority 924. Republican electoral votes were thereupon sent to Washington, but so also were Democratic votes. The situation in Louisiana was still more complicated. Political corruption and intimidation had been commonplaces in that state. On the face of the returns, Tilden's electors had received majorities varying from 6,000 to 9,000. As in Florida there was a board of canvassers which was here composed of four Republicans, three of whom were men of low character. The vote of the state was offered to the Democrats, once for $1,000,000 and once for $200,000, but the offer was not taken. The board then threw out enough ballots to choose all the Hayes electors. As in the other cases, Democratic electors also sent ballots to Washington.

There was no federal agency with power to determine which sets of electors were to be counted, and the fact that the federal Senate was Republican and the House Democratic seemed to preclude the possibility of legislation on the subject. No such critical situation had ever resulted from an election, and a means of settlement must quickly be discovered, for only three months would elapse after the electoral votes were sent to Washington, before the term of General Grant would expire. The means devised was the Electoral Com-

mission. This body was to be composed of five senators, five representatives, and five justices of the Supreme Court. The Senate and the House were each to choose their five members, and four members of the Court were designated by the Act which established the Commission, with power to choose a fifth. It was understood that seven would be Republicans, seven Democrats and that the fifteenth member would be Justice David Davis, an Independent, who would be selected by his four colleagues. On him in all probability, the burden of the decision would fall. On the day when the Senate agreed to the plan, however, the Democrats and Independents in the Illinois legislature chose Justice Davis as United States Senator and under these circumstances he refused to serve on the Commission. It was too late to withdraw, and since all the remaining justices from whom a commissioner must be chosen were Republicans, the Democrats were compelled to accept a body on which they were outnumbered eight to seven.

The Electoral Commission sat all through the month of February, 1877. Its decisions were uniformly in favor of Hayes electors by a vote of eight to seven, always along party lines, and on March 2, it was formally announced that Hayes had been elected. The disappointment of the Democrats was bitter and lasting, for their candidate had received over a quarter of a million popular votes more than his opponent, and yet had been declared defeated. For a time there was some fear of civil war. Tilden, however, accepted the decision of the Commission in good faith, and forbade his friends and his party to resist. Moreover, close friends of the Republican candidate assured southern Democratic politicians that Hayes if elected would adopt a conciliatory policy toward the South, and would

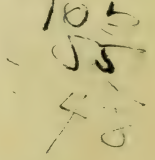
allow the southern states to govern themselves unhampered by federal interference. Peaceful counsels prevailed, therefore, and the closing days of President Grant's administration were undisturbed by threats of strife.

The question whether Hayes was fairly elected is a fascinating one. There is no doubt that there was fraud and intimidation on both sides, in the disputed states. In Louisiana, for example, the Democrats prevented many negroes from voting by outrageous intimidation, while the Republicans had many negroes fraudulently registered. Little is known, also, of the activities of the "visiting statesmen," as those politicians were called who went to the South to care for their party interests. It is known that they were well provided with money and that the boards of canvassers contained many unscrupulous men. Nor is it likely that politicians who lived in the days of the Credit Mobilier and the Whiskey Ring would falter at a bargain which would affect the election of a president. Republicans looked upon the Democrats as being so wicked that they were justified in "fighting the devil with fire." Democrats looked upon the election as so clearly theirs that no objection ought to be made to their taking what belonged to them. It seems certain, however, that Hayes had no hand in any bargains made by his supporters. As for Tilden, his wealth was such that he could have purchased votes if he had desired to do so, and the fact that all the votes went to his rival indicates that he did not yield to the temptation. Moreover, one of his closest associates, Henry Watterson, the journalist, tells of one occasion when the presidency was offered to Tilden and refused by him. Perhaps a definitive statement of the rights and wrongs of this famous election will never be made; for one

after another the men most intimately associated with it have died leaving some account of their activities, but none of them has told much more than was already known.

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CHAPTER III

ECONOMIC FOUNDATIONS OF THE NEW ERA

WITH the close of Grant's administration, the main immediate problems connected with political reconstruction came to an end. During the war, however, important economic and social developments had been taking place throughout the United States which were destined to take on greater and greater significance. The reconstruction problem looked backward to the war; the new developments looked forward to a new America. Reconstruction affected fewer and fewer people as time went on; the later changes ultimately transformed the daily life of every individual in the nation. Not only did they determine the means by which he earned his livelihood, but the comforts which he enjoyed, the conditions of rural or urban life which surrounded him, the ease with which he visited other portions of the country or obtained information concerning them, the number and variety of the foreign products that could be brought to him, the political problems upon which he thought and voted, and the attitude of the government toward his class in society. Most of these changes were distinguishable during the twenty-five years following the war and could be stated in brief and definite terms.

From the standpoint of population, the growth of the country before 1890, although not so rapid as it had been before the war, was both constant and important. Between 1870 and 1890 the numbers of people

increased from nearly thirty-nine millions to nearly sixty-three millions, the rate each decade being not far from twenty-five per cent. Six states added more than a million each to their population—New York and Pennsylvania in the Northeast; Ohio, Illinois and Kansas in the Middle West; and Texas in the South. No fewer than seventeen others expanded by half a million or more—ten of the seventeen being in the valley drained by the Mississippi River system.

Detailed study of particular sections of the country discloses a continuous shifting of population which indicates changes in the economic life of the people. In northern New England, the numbers increased slowly. Both Maine and New Hampshire lost from 1860 to 1870; nearly half of Maine's counties and nearly two-thirds of Vermont's lost population between 1880 and 1890; the people were abandoning the rural districts to flock to the cities or migrate to the West. Shipbuilding fell off in Maine; the dairy interests languished in Vermont, less wheat was being planted and the farmers, no longer growing wool, were selling their flocks. Most of the growth was to be found in the industrial counties. The traditional New England thrift, however, was not lost with the migration of the people, for savings bank deposits were increasing, and the state of Vermont was free from debt in 1880, and all its counties in 1890. The South, between 1870 and 1890, increased in numbers a little less rapidly than the country as a whole. On the Atlantic Coast the greatest relative expansion was in Florida; in the western South, in Texas. The increase was almost wholly native, as immigration did not flow into that section.

The great expansion of the Middle West, from Ohio to Kansas, was based upon the public land policy of the federal government. Substantially all this region

had once been in the possession of the United States, which had early adopted the system of laying out townships six miles on a side, with subdivisions one mile square, (containing 640 acres), called sections. An important feature of the policy had been the encouragement of education and of transportation through the gift of large grants of the public land. Moreover, settlement had been stimulated by the disposal of land to purchasers at extremely liberal figures. In 1862 the famous Homestead Act had inaugurated a still more generous policy. Under this law the citizen might settle upon a quarter-section and receive a title after five years of actual occupation, with no charge other than a slight fee. Millions of acres were taken up in this way both by natives and by immigrants. 1,300,000 people poured into Illinois between 1870 and 1890; over 1,000,000 into Kansas, and nearly that number into Nebraska; in the Dakotas a young man of college age in 1890 might have remembered almost the entire significant portion of the history of his state and have been one of the oldest inhabitants. The frontier of settlement advanced from the western edge of Missouri into mid-Kansas, and almost met the growing population of the Far West, whose economic possibilities had already attracted attention.

The discovery of gold-dust in a mill-race in California had drawn the "Forty-niners" to

> . . . lands of gold
> That lay toward the sun.

For a few years fabulous sums of the precious metal had been extracted from the ground by the hordes of treasure-seekers who had come from all over the world by boat, pack-animal or "prairie schooner," around Cape Horn, across the Isthmus of Panama or over the

western mountains. When the yield of the mines had slackened, some of the poulation had filtered off to newer fields, but more had settled down to exploit the agricultural and lumber resources of California. In Nevada a rich vein of silver called the "Comstock Lode" had been discovered; in 1873 a group operating the "Virginia Consolidated" mine struck the great "bonanza," and the output reached unheard of proportions. The success of the mines, however, was essential to Nevada, which had few other resources to develop, and when the yield slowed down the population growth of the state noticeably slackened. In Colorado during the late fifties some prospectors had struck gold, and another rush had made "Pike's Peak or Bust" its slogan. Some had returned, "Busted by Thunder," but others had better fortune, discovered gold, silver or lead, and helped lay the foundations of Denver and Leadville. In Idaho and Montana, in Wyoming and South Dakota and other states, prospectors found gold, silver, copper and lead, and thus attracted much of the population that later settled down to occupations which were less feverish and more reliable than mining. In general, the advance of population into the Middle West was more or less regular, as wave on wave made its way into the Mississippi Basin; in the Far West, however, population extended in long arms up the fertile valleys of Washington, Oregon and California, or was found in scattered islands where mineral wealth had been discovered in the Rocky Mountain region.

From the standpoint of absolute growth, the expansion of most of the far western states was not imposing, but the relative increase was suggestive of the future. Colorado nearly quadrupled in a decade (1870–1880), and Washington equalled the record in the following ten years. California grew faster from


80°
75°
70°
45°
40°
35°
30°
25°
120°
85°
80°
75°
MAINE
VERMONT
NEW HAMPSHIRE
Boston
MASSACHUSETTS
NEW YORK
ERIE CANAL
RHODE ISLAND
New Haven
CONNECTICUT
New York
NEW JERSEY
Philadelphia
DELAWARE
MARYLAND
Cleveland
PENNSYLVANIA
Pittsburg
Potomac R.
OHIO CANAL
OHIO R.
WEST VIRGINIA
VIRGINIA
NORTH CAROLINA
SOUTH CAROLINA
GEORGIA
FLORIDA
San Francisco
PACIFIC OCEAN
ATLANTIC OCEAN
EXPLA
5000 fee
1000 fee
500 fee
Sea leve


THE FAR WEST
WASHINGTON
OREGON
CALIFORNIA
IDAHO
NEVADA
MONTANA
WYOMING
UTAH
COLORADO
NORTH DAKOTA
SOUTH DAKOTA
NEBRASKA
KANSAS
OKLAHOMA
TEXAS
MINNESOTA
IOWA
MISSOURI
ARKANSAS
LOUISIANA
WISCONSIN
ILLINOIS
MICHIGAN
INDIANA
OHIO
KENTUCKY
TENNESSEE
MISSISSIPPI
ALABAMA
GEORGIA
FLORIDA
SOUTH CAROLINA
NORTH CAROLINA
VIRGINIA
WEST VIRGINIA
PENNSYLVANIA
NEW YORK
MAINE
VERMONT
NEW HAMPSHIRE
MASSACHUSETTS
RHODE ISLAND
CONNECTICUT
NEW JERSEY
DELAWARE
MARYLAND
Seattle
Spokane
Vermilion
Mesabie
Duluth
Gogebic
Marquette
Menominee
Minneapolis
Chicago
Cleveland
Pittsburg
Boston
New Haven
New York
Philadelphia
Ogden
Omaha
Denver
Pikes Peak
San Francisco
Los Angeles
Kansas City
St. Louis
Ohio R.
Miss. R.
Birmingham
PACIFIC OCEAN
ATLANTIC OCEAN
MEXICO
Longitude 100° West from 95° Greenwich
EXPLANATION OF COLORS
5000 feet
1000 feet
500 feet
Sea level
Land below sea level
100 fathoms
500 fathoms
1000 fathoms
C.S. HAMMOND & CO., NEW YORK
ECONOMIC INTERESTS - 1890
= $100 Million Manufactures
= $50 Million Farm Products
= $10 Million Mining Products

1870 to 1890 than it had done in the gold days, indicating that its development was based on something more lasting than a fickle vein of ore. Meanwhile politicians were fanning the desire of the growing territories to become states, and in 1889 Montana and Washington were admitted, and in the following year Idaho and Wyoming. Of these, Washington alone had a population equivalent to the federal ratio for representation in the House.[1]

Utah was kept outside for a few years longer, until the Mormon Church gave satisfactory indication that anti-polygamy laws were being enforced.

The migration westward, which has been a constant factor in American development since early times, continued unabated after the Civil War; indeed the restless spirit aroused by the four years of conflict undoubtedly tended to increase this steady shift toward the West. By 1890 approximately a fifth of the native Americans were to be found in states other than those in which they had been born. 95,000 natives of Maine, for example, were to be found in Massachusetts; 17,000 were in California; and considerable numbers in every state between the two. The North Carolinians were equally well distributed. 43,000 were in South Carolina, 18,000 in Texas, and 5,500 in Washington. Every state had contributed to populate every other, although in general the migration tended to take place on east and west lines, and predominantly westward.

Within the westward-moving tide of population were swirling eddies—cities—which tended to attract to themselves larger and larger proportions of the surrounding people. In 1870 two men in every ten lived

[1] The ratio was 151,912 but, by a provision of the Constitution, states are given a representative even if they do not contain the requisite number.

in cities whose population was 8,000 or more; by 1890 another man in every ten had forsaken rural life. Large cities like Boston and New York sucked in surrounding districts, and so constituted metropolitan centers with problems new to American life. Such cities as Birmingham, Kansas City, and Seattle were just appearing in 1880, but their growth was very rapid; Los Angeles increased ten fold and Minneapolis thirteen, between 1870 and 1890; Denver, having received ten newcomers between 1860 and 1870, added 102,000 in the following twenty years. In the country as a whole the concentration in cities was most marked in the area north of the Potomac and Ohio rivers and east of the Mississippi; the South remained rural, as before the war. With the growth of urban population came questions of lighting and water supply, street railway transportation and municipal government, industry, education, health and morals.[1]

Immigration, another constant factor in American development, underwent important changes during the twenty-five years from 1865 to 1890. Greater in prosperous years and smaller during years of depression, the inward tide reached its climax in 1882, when 789,000 aliens reached the new world. That year, in several respects, was a turning point in the history of immigration into the United States. It was in this year that the Chinese were excluded; that immigration from Italy, Austria-Hungary, and Russia became of sufficient size to be impressive; and that the first inclusive federal immigration act was passed. The immigration

[1] The most important advances in municipal street railway transportation were made between 1875 and 1890. In 1876 New York began the construction of an overhead or elevated railway on which trains were drawn by small locomotives. The first electric street railways were operated in Richmond, Va., and in Baltimore. Electric street lighting was introduced in San Francisco in 1879.

law of 1882 defined, in general, the policy which the nation has pursued ever since. It placed a tax of fifty cents on all incomers to be paid by the ship companies; it forbade the landing of objectionable persons, such as convicts and lunatics; and it placed on the owners of vessels the expense of returning immigrants not permitted to land. All these provisions were amended or developed in later laws, like that of 1885 forbidding persons or corporations to prepay the transportation of laborers or to encourage immigration under contract to perform work. The greater part of the foreign population settled in the manufacturing and urban North. Put into simplest terms, the census of 1890 showed that of every hundred aliens who had come to the United States between 1870 and 1890, thirty-seven were to be found in the states from Maine to Pennsylvania, four from Delaware to Texas, forty-seven from Ohio to Kansas and twelve in the Far West (for the most part Chinese).

Of the great economic interests of the United States, the most widespread was agriculture. In the Northeast, to be sure, the amount of improved farm land had been growing steadily less since 1850 and the people had been turning their energies into other activities. In the South, on the other hand, agriculture formed the main economic resource and the twenty-five years following the war were, for the most part, consumed in recovering from that struggle. Although conditions varied from place to place, the situation in many portions of the South was little short of pitiable. Not only were factories, public buildings and railroads, houses and barns, tools and seeds destroyed, capital and credit gone, mining at a standstill and banks ruined, but bands of thieves infested many districts, federal officers were frequently dishonest and defrauded the people, and the

entire labor system was wiped out at a stroke. The negroes had not been ideal workmen as slaves; now, as freedmen, they found difficulty in adjusting themselves to the economic obligations of their new status, and evinced a tendency to rove about restlessly, instead of settling down to the stern task of helping to rebuild the shattered South.

It was manifest that the first problem was to revive the agricultural activities of the old days, and that the main resource must be cotton, the demand for which in the markets of the North and of Europe was such as to make it the best "money crop." A labor system was introduced known as share-farming or cropping. Under this system the plantation owner who had more property than he could cultivate under the new conditions let parts of his land to tenants, supplying them with buildings, tools, seed and perhaps credit at the village store for the supplies necessary for the year. The tenant, who had neither money nor credit with which to buy land, furnished the labor, and at the harvest each received a specified share of the product, commonly a half. The system had its disadvantages; it kept the farmer always in debt, and since the only valuable security which the plantation owner had was the crop—the land being almost unsalable—he insisted on the cultivation of cotton, which was a safe crop, and avoided experimentation and diversification. On the other hand, the system enabled the land owner to take advantage of the labor supply and to supervise the untutored negro,—and it kept the South alive. In addition to the large plantations, cultivated by several tenant farmers, the number of small farms tilled by independent owners or renters increased. Due to this tendency and to the opening of many small holdings in

the Southwest, the size of the average farm diminished, so that the small farmer began to replace the plantation owner as the typical southerner.

Owing to the insistence of land owners upon cotton culture, the South first caught up with its *ante-bellum* production in the cultivation of this staple, for shortly before 1880 the crop exceeded that of 1860. The production of tobacco, the second great southern crop, sharply shifted after the war from the Atlantic Coast states, except North Carolina, to the Mississippi region, especially to Kentucky. Maryland, indeed, never again produced much more than half as great a crop as she did in 1860, while Virginia did not equal her former record until the opening of the twentieth century, although the South as a whole recovered in the late eighties. Rice culture, likewise, did not recover readily for South Carolina alone produced almost as much in 1860 as the entire South in 1890, and not until the development of production in Louisiana after 1890 did the crop assume its former importance. The production of sugar in Louisiana in 1890 was but little greater than it had been in 1860, and in the production of cereals the South did not keep pace with the upper Mississippi Valley before 1890. On the other hand the rapid growth of Texas was one of the outstanding features of southern development during the period, for that state improved an amount of farm land between 1870 and 1890, roughly equivalent to the combined areas of New Hampshire, Vermont and Massachusetts. There was observable, moreover, a certain hopefulness, a certain resiliency of purpose, a pride in the achievements of the past and in the possibilities of the future. In these respects the South was a new South by 1890.

Greater than the South as a food-producing area, was the belt of states from Ohio and Michigan to Kansas and the Dakotas:

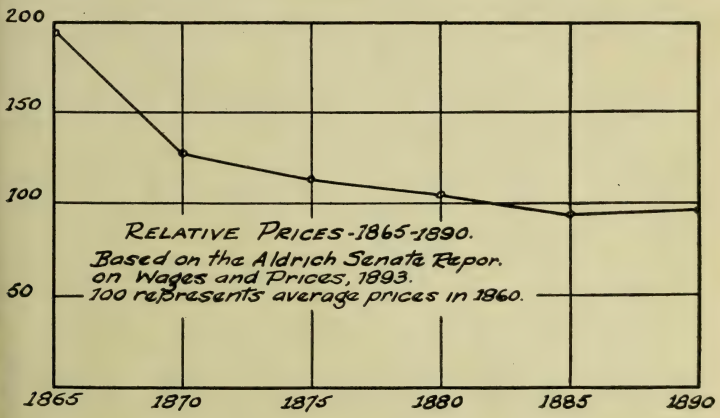
> Where there's more of reaping and less of sowing,
> That's where the West begins.

The increased occupation of the public lands, the growth of population, improvements in transportation and the greater use of agricultural machinery, which could be employed to advantage on the large and relatively level farms, led to developments that were destined to have an important effect on the history of the nation. Agricultural machinery, such as the reaper, had been known long before the war, but the reduction of the labor supply from 1861 to 1865 had compelled farmers to replace men with machines. A reaper that merely cut the grain and tossed it aside, gave way at last to one which not only cut the grain, but gathered it into sheaves and bound the sheaves with twine. So great was the effect of the harvester upon western agriculture that William H. Seward declared that it "pushed the frontier westward at the rate of thirty miles a year."

Due to the facts already mentioned, the number of mid-western farms increased nearly a million from 1870 to 1890, and the acreage in improved farm land grew by an amount equivalent to the combined areas of the British Isles, Belgium, the Netherlands, and Denmark, with a generous margin to spare. The production of corn, wheat, oats and other cereals became so great as to demand an outlet to the East and to the markets of the world. Elevators for the storage of grain were constructed with a capacity of 300,000 to 1,000,000 bushels, and improvements were made in the methods of loading and unloading the product. De-

spite the growth of the agricultural interests of the Middle West, however, the farmer did not reach prosperity. For twenty years after 1873 prices fell steadily both in the United States and in other countries of the world, and the agricultural classes found themselves receiving a smaller and smaller return for their products. Unrest grew to distress, and distress to acute depression, while the demands of the farmers for relief frequently determined the trend of mid-western politics.[1]

Less general than agriculture, but more characteristic of the period after the war, was the development of manufacturing. The census of 1870 was faulty and



inadequate, but it was sufficiently accurate to indicate that the manufacturing region was preëminently that north of the Potomac-Ohio river line and east of the Mississippi. By 1890 it was apparent that the industrial interests were shifting slightly toward the West; nevertheless the leading states were those of southern

[1] Hamlin Garland, *Main Travelled Roads*, portrays the hardships of western farm life.

New England, and New York, New Jersey and Pennsylvania. In these states no fewer than four hundred and forty-seven industries employed more than a million dollars of capital each. The manufacturing of cotton, woolen and silk for the rest of the country was done here; foundry products, iron and steel manufactures, silver and brass goods, refined petroleum, boots and shoes, paper and books, with a host of other articles, were sent from this section to every part of the world. All along the line, from Massachusetts to Pennsylvania, capital engaged in manufacturing doubled between 1880 and 1890, and the number of employees greatly increased.

Although the industrial life of the South belongs, for the most part, to the years since 1890, the coal and iron deposits of Alabama were known and utilized before that year, the number of cotton mill spindles in North Carolina tripled between 1880 and 1890, and cotton expositions were held in Atlanta in 1881 and New Orleans in 1884. It was in the eighties, also, that the Chesapeake and Ohio Railroad and the Norfolk and Western led to the exploitation of the coal deposits of Virginia and West Virginia, especially the famous Pocahontas field.

Some aspects of the growth of manufacturing in the North are well illustrated in the development of the mineral resources around Lake Superior. The presence of copper and iron in this region had long been known, but they had not been utilized until a decade before the Civil War, and even then the output had been greatly restricted by insufficient transportation facilities. By the close of the war, however, a canal had been constructed which allowed the passage of barges from Lake Superior to Lake Huron, and railroads had been laid to a few important mining centers.

The Marquette iron range in northern Michigan, the Gogebic in Wisconsin and Michigan, the Menominee near Marquette, the Vermilion Lake and Mesabec ore-beds near Duluth,—all these combined to yield millions of tons of ore, caused the development of numerous mining towns and laid the foundations of a gigantic expansion in the production of steel. As the iron and steel industry with its furnaces, machinery and skilled labor was already established at points in Illinois, Ohio and western Pennsylvania, it was cheaper to transport the ore to these places than to transfer the industry to the mines. Ore vessels were constructed capable of carrying mammoth cargoes; docks, railroads and canals were built; and the products of the mines taken to lake and inland cities. Improvements, meanwhile, were being continually made in the steel industry, such as the Bessemer process, by which the impurities were burned out of the iron ore, and exactly enough carbon introduced into the molten metal to transform it into steel.

Although the steel industry was established in many places, its most dramatic growth occurred in those parts of eastern Ohio and western Pennsylvania that center about the city of Pittsburg. Placed strategically at the point where the Allegheny and Monongahela rivers join to form the Ohio, in the midst of an area rich in coal, petroleum and natural gas, Pittsburg rapidly became the center of a region in which the development of manufacturing and the construction of railroads dwarfed other interests. A large portion of the ore mined in the Lake Superior fields was carried to the Pittsburg district to be transformed into steel products of all kinds. Moreover, the fortunes made by private individuals in the region, and the inflow of alien laborers to work in the factories and on the railroads raised weighty social and industrial problems.

Manifestly the extension of agriculture and industry in so large a country as the United States was dependent upon the corresponding growth of the means of transportation, both by water and by rail. A detailed account of the expansion of the railway net, with the accompanying implications in the fields of finance and politics, is a matter for later consideration. Certain of its general features may be mentioned, however, because they are intimately interwoven with the economic developments which have just been explained. The concentration of the population in the cities, of which New York and Chicago were outstanding examples, was one of these features. From the time of the first census, the city of New York continued to maintain its position as the most populous city of the nation. Between 1850 and 1890 it added a round million to its numbers, containing 1,515,000 persons at the later date. Moreover it was the center of a thriving and thickly settled region extending from New Haven on the one side to Philadelphia on the other—the most densely populated area in America. The uninterrupted expansion of the city indicated that the reasons for its growth were constant in their operation. And, in fact, the reasons were not difficult to find. It was blessed with one of the world's finest harbors and had access to the interior of the state by way of the Hudson and Mohawk rivers. These natural advantages had long since been recognized and had been increased by the construction of the Erie Canal in 1825 which, with the Great Lakes and the several canals connecting the Lakes with the Ohio Valley, had given New York an early hold and almost a monopoly on the trade between the upper Mississippi, the Lakes and the coast. The city, therefore, became an importing and exporting center; its shipping interests grew, immigration flowed

in, and its manufacturing establishments soon outstripped those of any other industrial center; the great printing and publishing, banking and commercial firms were drawn irresistibly to the most populous city, and Wall Street became the synonym for the financial center of the nation.

In 1840 Chicago had been an unimportant settlement of 4500 persons, but by the opening of the war it had grown to twenty-five times that size, and added 800,000 between 1870 and 1890. It had early become evident that the city was the natural outlet toward the East for the grain trade and the slaughtering and meat-packing industry of the upper Mississippi Valley. Before the late sixties, however, railway connection was defective, being composed of many short lines rather than of one continuous road, so that freight had to be loaded and unloaded many times during its passage to the seaboard. This situation, which had been merely inconvenient before the war, had become little short of intolerable during the struggle, because the closing of the Mississippi had cut off from the Middle West its water outlet toward the South and had diverted more freight to the railroads. After the war, Cornelius Vanderbilt, president of the Hudson River Railroad, combined a number of the shorter roads so as to give uninterrupted communication between Chicago and New York, to tap the trade of the Mississippi Valley, and to compete with water traffic by way of the Great Lakes and the Erie Canal. Other railroads saw the possibilities in the western trade, and the Baltimore and Ohio, the Grand Trunk, and the Erie followed the lead of Vanderbilt. A similar development, although on a smaller scale, accompanied the growth of other northern cities. The retroactive effects of the roads on the distribution of the population are too detailed

for discussion, but a single example may typify many. In 1870 the Maine farmer supplied much of the meat consumed in Boston; by 1895, he was getting his own meat from the West. He must, therefore, adapt himself to the new conditions if he could, move to the manufacturing cities as so many of his neighbors did, or migrate to the West.

Like the growth of New York and Chicago, the development of California had an important effect on the history of American railway transportation. Although it had been agitated for many years, the project for a railroad from the Mississippi to the Pacific Coast had not reached the construction stage until the congressional acts of 1862 and 1864 provided for a line to be built from Omaha to San Francisco. The Union Pacific Railroad had been incorporated to build the eastern end, while the western end was to be constructed by the Central Pacific Railroad Company, a California corporation. The latter act, that of 1864, had given the roads substantial financial assistance and half the public land on a strip forty miles wide along the line of the track. Many difficulties had stood in the way—lack of funds, problems of construction and inadequate labor supply. Eventually they had all been overcome by the energy and skill of such men as Stanford, Crocker and Huntington. Imported Chinese coolies had met the labor demand and construction was speeded up. Actual building had begun in 1863 and six years later the two roads met at Promontory Point near Ogden in Utah, where the last spike was driven, the engines

> Facing on the single track,
> Half a world behind each back.

During the four years following the completion of the


THE
NEW WEST
English Statute Miles.
States admitted before the Civil War:
States admitted during and after the Civil War:
Indian Reservations at the close of 1909.
THE H. R. W. WORKS.
115° Longitude West from Greenwich
C A N A D A
M E X I C O
WASHINGTON admitted 1889
OREGON
CALIFORNIA admitted 1850
IDAHO admitted 1890
NEVADA admitted 1864
MONTANA admitted 1889
WYOMING admitted 1890
UTAH admitted 1896
COLORADO admitted 1876
NORTH DAKOTA admitted 1889
SOUTH DAKOTA admitted 1889
NEBRASKA admitted 1867
KANSAS
OKLAHOMA admitted 1907
Oklahoma
NEW MEXICO admitted 1912
ARIZONA admitted 1912
TEXAS
MINNESOTA
IOWA
MISSOURI
WISCONSIN
ARKANSAS
Bellingham
Seattle
Spokane
Tacoma
Olympia
Portland
Salem
The Dalles
Baker City
Eugene
Ashland
Astoria
Walla Walla
Lewiston
Helena
Butte
Great Falls
Missoula
Bozeman
Billings
Virginia City
Glendive
Bismarck
Fargo
Grand Forks
Devils L.
Duluth
Minneapolis
St. Paul
St. Cloud
Mankato
La Crosse
Winnebago L.
Aberdeen
Pierre
Sioux Falls
Yankton
Sioux City
Cedar Rapids
Des Moines
Omaha
Fremont
Lincoln
Nebraska City
Kearney
Hastings
Beatrice
St. Joseph
Atchison
Kansas City
Topeka
Wichita
Great Bend
Arkansas City
Guthrie
Ft. Smith
Texarkana
Sherman
Ft. Worth
Dallas
Galveston
Houston
Austin
San Antonio
El Paso
Laredo
Brownsville
Corpus Christi
Rio Grande
Pecos R.
Red R.
Canadian R.
Cimarron R.
Arkansas R.
Missouri R.
Mississippi R.
Platte R.
Republican R.
Niobrara R.
Cheyenne R.
Powder R.
Little Missouri R.
Big Horn R.
Yellowstone R.
Missouri R.
Snake R.
Columbia R.
Salmon R.
Bitter Root Mts.
Rocky Mts.
Wasatch Range
Sierra Nevada
Coast Range
Cascade Range
Great Salt Lake
Salt Lake City
Ogden
Evanston
Rawlins
Laramie
Cheyenne
Denver
Boulder
Colorado Sprs.
Pikes Peak
Pueblo
Leadville
Trinidad
Santa Fé
Las Vegas
Albuquerque
Flagstaff
Phoenix
Tucson
Yuma
Gila R.
Colorado R.
Grand Canyon
Green R.
Grand R.
Snake R.
Humboldt R.
Sacramento R.
Virginia City
Reno
Winnemucca
Carson
Sacramento
Stockton
Oakland
San Francisco
San José
Yosemite Valley
Monterey
Fresno
Tulare L.
Death Valley
Santa Barbara
Los Angeles
San Bernardino
San Diego
Mt. Shasta
Mt. Hood
Mt. Rainier
C. Flattery
C. Mendocino
Crater L.
Coeur d'Alene
Flathead L.
Yellowstone National Park
Shoshone Falls
Black Hills
Devils Lake
Lake Superior
Lake Michigan
Lake Winnebago
Pacific
Union
Santa Fé
Atchison
Topeka
Great Northern
Northern Pacific
Chicago, Milwaukee & St. Paul
Chicago, Rock Island & Pacific
Chicago, Burlington & Quincy
Missouri Pacific
Kansas Pacific
Union Pacific
Southern Pacific
Chicago & Northwestern
Chicago, St. Paul, Minneapolis & Omaha
Chicago, Great Western
Minneapolis, St. Paul & Sault Ste. Marie
Wabash
Illinois Central
Chicago & Alton
Chicago, Milwaukee & Gulf
Missouri, Kansas & Texas
Missouri, Kansas & Texas of Texas
Texas & Pacific
Gulf, Colorado & Santa Fé
Atlantic & Pacific
Southern Pacific of Arizona
Southern Pacific of New Mexico
Southern Pacific of California
Southern Pacific of Oregon
Southern Pacific of Texas
Southern Pacific of Mexico
Southern Pacific of Louisiana
Southern Pacific of Arkansas
Southern Pacific of Missouri
Southern Pacific of Kansas
Southern Pacific of Oklahoma
Southern Pacific of Colorado
Southern Pacific of Utah
Southern Pacific of Nevada
Southern Pacific of Idaho
Southern Pacific of Montana
Southern Pacific of Wyoming
Southern Pacific of North Dakota
Southern Pacific of South Dakota
Southern Pacific of Nebraska
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Southern Pacific of Maine
Southern Pacific of Massachusetts
Southern Pacific of Rhode Island
Southern Pacific of Connecticut
Southern Pacific of New Jersey
Southern Pacific of Delaware
Southern Pacific of Maryland
Southern Pacific of District of Columbia
Southern Pacific of Virginia
Southern Pacific of West Virginia
Southern Pacific of North Carolina
Southern Pacific of South Carolina
Southern Pacific of Georgia
Southern Pacific of Florida
Southern Pacific of Alabama
Southern Pacific of Mississippi

transcontinental line, 24,000 miles of new railroad were constructed, much of which was built into the wilderness ahead of settlement. So great an expansion, coming at a time when immense stretches of new land were being opened and industry being developed on a large scale, could hardly fail to result in over-speculation. The results appeared in 1873. Jay Cooke and Company, the most important financial concern in the country had been back of the Northern Pacific Railroad, marketing large quantities of its bonds and so providing capital for construction, the purchase of equipment, the payment of wages and so on. Obviously a large amount of money was thus being put into an enterprise from which returns would come only after a considerable period; and yet construction had to be continued, or what was already invested would be lost. What Cooke was doing for the Northern Pacific was being done for the Chesapeake and Ohio by Fisk and Hatch, and by other firms for speculative enterprises in every corner of the land.

The process of putting capital into fixed form could hardly go on forever, and several events led to a final crash. In 1871 and 1872 great fires in Chicago and Boston destroyed millions of dollars' worth of property. Early in 1873 the government investigation of the Credit Mobilier Company led to widespread distrust of the roads and made investors conservative about buying bonds. On September 18, 1873, Jay Cooke and Company found itself unable to continue business and closed its doors. The failure was a thunderbolt to the financial world. Indeed, so unbelieveable was the news that an energetic policeman arrested a small newsboy who shouted his "Extra—All about the failure of Jay Cooke."

If Jay Cooke and Company fell, the sky might fall.

People rushed to withdraw their funds from the banks. Fisk and Hatch opened their doors for fifteen minutes and received calls for $1,500,000. They closed at once. The smaller financial institutions followed the bigger ones. Stocks fell, the Exchange was closed, there was a money famine. Industrial concerns, dependent on the banks, failed by scores. Industrial paralysis, with railroad receiverships, laborers out of employment, riots and their accompaniments, showed how deep-seated had been the trouble. Not until late in the decade did business recover its former prosperity.

With the return of more stable conditions the construction of railroads continued unabated. The Northern Pacific ran near the Canadian line and connected the upper Mississippi Valley with the coast, carrying in its trail the manners and customs of the East. Two lines in the South were extended to the Pacific, so that by the middle eighties four great main avenues gave passage through a region over which, so recently, the miner and the trapper had forced a dangerous path.

The fact that it was often necessary, in building the railroads across the plains, to detail half the working force to protect the remainder against the Indians, calls attention to one unmistakable result of the conquest of the Far West. The construction of the railroads spelled the doom of the wild Indian. Far back in 1834 the government had adopted the policy of setting aside large tracts of land west of the Mississippi for the use of the Indian tribes. Most of the savages had been stationed in an immense area between southern Minnesota and Texas, while other smaller reservations had been scattered over most of the states west of the river. On the whole, the government had dealt with the Indians in tribes, not as individuals. The rapid inflow

of population to the fertile lands, together with the rush of prospectors to newly discovered supplies of gold and silver, caused increasing demands from the Indians for protection, and from the whites for the extinguishment of Indian land titles.

The classical illustration of this tendency is found in the case of the Sioux Indians in South Dakota. The discovery of gold in the region of the Black Hills, on the Sioux reservation, aroused agitation for the removal of the tribe to make way for settlers and miners. But the execution of the scheme was not so simple as its conception. The removal of the Sioux necessitated the transfer of the Poncas, a peaceful tribe which lay immediately east. The latter, not unnaturally, objected, quarrels arose and eventually the Poncas were practically broken to pieces. The Sioux, not satisfied, attempted to regain the Black Hills, fought the famous Sioux War of 1876, led by Sitting Bull, but were crushed and forced to give up the unequal contest.

It would not be worth while to enter into the details of the numerous Indian conflicts after the Civil War. It is enough to notice that stirring accounts of them may be read in the memoirs of such soldiers as Custer, Sheridan and Miles, and that they cost millions of dollars and hundreds of lives. Finally it became evident that the attempt to deal with the Indians in tribes was a failure and it was determined to break up the tribal holdings of land so as to give each individual a small piece for his private property, and to open the remainder to settlement by the whites. In pursuance of such a policy, the Dawes Act of 1887 provided for the allotment of a quarter-section to each head of a family, with the proviso that the owner should not sell the land within twenty-five years. This was intended to protect the Indian from shrewd "land-sharks." Citizen-

ship was given with the ownership of the land, in the hope that a sort of assimilation might gradually take place, and earnest attempts were made to provide education for the red-man. Not all these hopes were realized, however, and the later Burke Act, 1906, attempted further protection.

While the Indian was being restricted to a small part of the great region west of the Mississippi, there was being enacted on the plains one of the most picturesque of all American dramas. Beyond the settled parts of the states just west of the "Father of Waters," bounded north and south by Canada and the Rio Grande, and extending west to the Rocky Mountain foot-hills, lay a huge empire of rolling territory. It was grass-covered, but lacked sufficient rainfall to make it fertile, so that it was considered, as part of it had early been called, "the great American desert."

Cattle turned loose long before by Spanish ranchers down in the Southwest had multiplied, spread out over the plains, and run wild—wild as Texas steers. A combination of circumstances disclosed the fact that these cattle could be improved by breeding, corraled and driven north over the "Long Trail," to be slaughtered in Omaha, Kansas City, St. Louis and Chicago for the people of eastern cities. The round-up, when the cattle were collected; the drive, under command of the boss and his cow-boys,

> loose in the unfenced blue riding the sunset rounds;

the great ranches in the North, where the herds were fattened for the market;—all this formed the background of an attractive romance. Obviously, however, the drive was dependent on great stretches of open country, with free grazing and free access to water, and it is also manifest that these conditions could not long

endure in the face of constant westward migration. Homesteaders followed the railroads out across the plains, and the cheapening of wire fence led to the enclosure of great farms including the best grazing lands and the water supply. By 1890, therefore, the great drives were a tale that is told. The less romantic packing business remained, however; ranches supplied the cattle, the railroads transported them, and improvements in refrigerating and canning made possible another development in domestic and foreign trade.

In addition to the expansion of the several economic interests of the various sections of the country, inventions and improvements were taking place which affected the general problems of production and distribution. Improvements in machinery saved forty to eighty per cent. of the time and labor demanded in the production of important manufactured goods. Cheapened steel affected all kinds of industry. The development of steam-power and the beginnings of the practical use of electricity for power and light multiplied the effectiveness of human hands or added to human comfort. Cheaper and quicker transportation almost revolutionized the distribution of economic goods. The increased use of the telegraph and cable shortened distances and brought together producers and consumers that had in earlier times been weeks of travel apart.

The necessarily statistical character of an account of economic development should not obscure the meaning of its details. Increased population, with its horde of incoming aliens, created a demand for standing room, necessitated westward expansion, and made the West more than ever a new country with new problems. The growth of agriculture enlarged a class that had not hitherto been as influential as it was destined to be, and brought into politics the economic needs of the farmer.

Manufacturing brought great wealth into the hands of a few, created an increasing demand for protective tariffs and gave rise to strikes and other industrial problems. The concentration of especial interests in especial sections made likely the emergence of sectional antagonisms. Back of tariff and finance, therefore, back of transportation and labor, of new political parties and revolts in the old ones, of the great strikes and the increasing importance of some of the sections, lay the economic foundations of the new era.

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CHAPTER IV

POLITICAL AND INTELLECTUAL BACKGROUND OF THE NEW ISSUES

POWERFUL as economic forces were from 1865 to 1890, they did not alone determine the direction of American progress during those years. Different individuals and different sections of the country reacted differently to the same economic facts; a formula that explained a phenomenon satisfactorily to one group, carried no conviction to another; political parties built up their platforms on economic self-interest, and yet they sometimes had their ideals; theories that seemed to explain economic development were found to be inadequate and were replaced by others; and practices that had earlier been regarded with indifference began to offend the public sense of good taste or morals or justice, and gave way to more enlightened standards. Some understanding is necessary, therefore, of the more common theories, ideals, creeds and practices, because they supplemented the economic foundations that underlay American progress for a quarter century after the war.

Since the Republican party was almost continuously in power during this period, its composition, spirit and ideals were fundamental in political history. Throughout the North, and especially in the Northeast, the intellectual and prosperous classes, the capitalists and manufacturers, were more likely to be found in the Republican party than among the Democrats. In fact

such party leaders as Senator George F. Hoar went so far as to assert that the organization comprised the manufacturers and skilled laborers of the East, the soldiers, the church members, the clergymen, the schoolteachers, the reformers and the men who were doing the great work of temperance, education and philanthropy. The history of the party, also, was no small factor in its successes. Many northerners had cast their first ballot in the fifties, with all the zeal of crusaders; they looked back upon the beginnings of Republicanism as they might have remembered the origin of a sacred faith; they thought of their party as the body which had abolished slavery and restored the Union; and they treasured the names of its Lincoln, its Seward, its Sumner and Grant and Sherman. The Republican party, wrote Edward MacPherson in 1888, in a history of the organization, is

> both in the purity of its doctrines, the beneficent sweep of its measures, in its courage, its steadfastness, its fidelity, in its achievements and in its example, the most resplendent political organization the world has ever seen.

Senator Hoar declared that no party in history, not even that which inaugurated the Constitution, had ever accomplished so much in so short a time. It had been formed, he said, to prevent the extension of slavery into the territories, but the "providence of God imposed upon it far larger duties." The Republican party gave "honest, wise, safe, liberal, progressive American counsel" and the Democrats "unwise, unsafe, illiberal, obstructive, un-American counsel." He remembered the Republican nominating convention of 1880 as a scene of "indescribable sublimity," comparable in "grandeur and impressiveness to the mighty torrent of Niagara."

During the generation after the war the recollection of the struggle was fresh in men's minds and its influence was a force in party councils. The Democrats were looked upon as having sympathized with the "rebellion" and having been the party of disunion. In campaign after campaign the people were warned not to admit to power the party which had been "traitor" to the Union. Roscoe Conkling, the most influential politician in New York, declared in 1877 that the Democrats wished to regain power in order to use the funds in the United States Treasury to repay Confederate war debts and to provide pensions for southern soldiers. As late even as 1888 the nation was urged to recollect that the Democratic party had been the "mainstay and support of the Rebellion," while the Republicans were the "party that served the Nation."

At a later time it was pointed out that the party had not been founded solely on idealism; that the adherence of Pennsylvania to the party, for example, was due at least in a measure to Republican advocacy of a protective tariff; that Salmon P. Chase and Edwin M. Stanton, two of the leading members of Lincoln's cabinet had been Democrats; and that Lincoln's second election and the successful outcome of the war had been due partly to the support of his political opponents. As time went on, also, some of the leaders of the Republican party declared that its original ideals had become obscured in more practical considerations. They felt that abuses had grown up which had been little noticed because of the necessity of keeping in power that party which they regarded as the only patriotic one. They asserted that many of the managers had become arrogant and corrupt. All this helped to explain the strength of such revolts as that of the

Liberal Republican movement of 1872. Nevertheless, during the greater part of the twenty-five years after the war, hosts of Republicans cherished such a picture as that drawn by Senator Hoar and Edward MacPherson, and it was that picture which held them within the party and made patriotism and Republicanism synonymous terms.

These Republicans, however, who took the more critical attitude toward their party formed the core of the "Mugwump" or Independent movement. Their philosophy was simple. They believed that there ought to be a political element which was not rigidly controlled by the discipline of party organization, which would act upon its own judgment for the public interest, and which should be a reminder to both parties that neither could venture upon mischievous policies without endangering its control over the machinery of government. Theoretically, at least, the Independent believed that it was more important that government be well administered than that it be administered by one set of men or another. The weakness of this group, aside from its small size, was its impatience and impracticability. By nature the Independent was an individualist, forming his own opinion and holding it with tenacity. In such a body there could not be long-continued cooperation or singleness of purpose; each new problem caused new decisions resulting in the break-up of the group and the formation of new alignments. The Independent group, therefore, varied in strength from campaign to campaign. To the typical party worker, who looked upon politics as a warfare for the spoils of office, the Independent was variously denounced as a deserter, a traitor, an apostate and a guerilla deploying between the lines and foraging now

on one side and now on the other. To the party wheelhorse, independent voting seemed impracticable, and the atmosphere of reform too "highly scented."

The Democrats, laboring under the disadvantage of a reputation for disloyalty during the war, and kept out of power for most of the time during the period, were forced into a defensive position where they could complain or criticize, but not present a program of constructive achievement. They denounced the election of 1876 as a great "fraud"; they looked upon the Republicans as the organ of those who demanded class advantages; they condemned the party as wasteful, corrupt and extravagant in administration, careless of the distress of the masses, and desirous of increasing the authority of the federal government at the expense of the powers of the states. Their own mission they felt to be the constant assertion of the opposite principles of government and administration. They felt that they in particular represented government by the people for the equal good of all classes. In conformity to what they believed to be the principles of Jefferson and Jackson they professed faith in the capacity of the plain people. They advocated frugality and economy in government expenditure and looked with alarm on any extension of federal power that invaded the traditional domain of local activity.

The intensification of party spirit and party loyalty, which was so typical of the times, "delivered the citizen more effectually, bound hand and foot, into the power of the party embodied in its Organization." The organization, meanwhile, was being improved and strengthened. Its permanent National Committee which had existed from *ante-bellum* days, was supplemented in both parties immediately after the war by the congressional committee, whose mission it was to

carry the elections for the House of Representatives. Increased attention was paid to state and local organizations. Party conventions in states and counties chose delegates to national conventions and nominated candidates for office. State, county and town committees raised money, employed speakers, distributed literature, formed torch-light companies to march in party processions and, most important of all, got out the voters on election day. By such means the National Committee was enabled to keep in close touch with the rank and file of the party, and so complete did the organization become that it deserved and won the name, "the machine."

The master-spirit of the machine was usually the "Boss," a professional politician who generally did not himself hold elective office or show concern in constructive programs of legislation or in the public welfare. Instead, his interests lay in winning elections; dividing the offices among the party workers; distributing profitable contracts for public work; procuring the passage of legislation desired by industrial or railroad companies, or blocking measures objected to by them. A vivid picture of the activities of the boss in New York, drawn by Elihu Root, will serve to portray conditions in many states and cities from 1865 to 1890:

> From the days of Fenton, and Conkling, and Arthur, and Cornell, and Platt, from the days of David B. Hill, down to the present time, the government of the state has presented two different lines of activity, one of the constitutional and statutory officers of the state, and the other of the party leaders,—they call them party bosses. They call the system —I do not coin the phrase, I adopt it because it carries its own meaning—the system they call "invisible government." For I do not remember how many years, Mr. Conkling was the supreme ruler in this state; the governor did not count,

the legislatures did not count; comptrollers and secretaries of state and what not, did not count. It was what Mr. Conkling said; and in a great outburst of public rage he was pulled down.

Then Mr. Platt ruled the state; for nigh upon twenty years he ruled it. It was not the governor; it was not the legislature; it was not any elected officers; it was Mr. Platt. And the capitol was not here (in Albany); it was at 49 Broadway; with Mr. Platt and his lieutenants. It makes no difference what name you give, whether you call it Fenton or Conkling or Cornell or Arthur or Platt, or by the names of men now living. The ruler of the state during the greater part of the forty years of my acquaintance with the state government has not been any man authorized by the constitution or by the law.[1]

Under such conditions, corruption was naturally a commonplace in politics. In the campaigns, the party managers were too often men to whom "nothing was dreadful but defeat." At every Presidential election, immense sums of money were poured into the most important doubtful states—Connecticut, New York, New Jersey and Indiana. Twenty to seventy-five dollars was said to have been the price of a vote in Indiana in 1880; and ten to fifteen per cent. of the vote in Connecticut was thought to be purchasable. In New York ballot-box stuffing and repeating were the rule in sections of the city. Employers exerted a less crude but equally efficacious pressure upon their employees to vote "right." Municipal government also was often characterized by that extreme of corruption which called out the scorn of writers on public affairs. The New York *Times* complained in 1877 that the government of the city was no more a popular government than Turkish rule in Bulgaria, and that if the Tam-

[1] *Addresses on Government and Citizenship*, 202.

many leaders did not collect revenue with the horsewhip and sabre, it was because the forms of law afforded a means that was pleasanter, easier and quite as effective.

Federal officials, it must be admitted, did not set a high standard for local officers to follow. During Grant's administration five judges of a United States Court were driven from office by threats of impeachment; members of the Committee on Military Affairs in the House of Representatives sold their privilege of selecting young men to be educated at West Point; and candidates for even the highest offices in the gift of the nation were sometimes men whose political past would not bear the light of day. More difficult to overcome was the lack of a decent sense of propriety among many public officers. Members of the Senate practiced before the Supreme Court, the justices of which they had an important share in appointing; senators and representatives traded in the securities of railroads which were seeking favors at the hands of Congress; and even in the most critical circles, corrupt practices were condoned on the ground that all the most reputable people were more or less engaged in similar activities. Most difficult of all to understand was the unfaltering support accorded by men of the utmost integrity to party leaders whose evil character was known on all sides. Men who would not themselves be guilty of dishonest acts and who vehemently condemned such deeds among their political opponents, failed to make any energetic protest within their own ranks for fear that they might bring about a party split and thus give the "enemy" a victory.

The political practices which prevailed after 1865 for at least a quarter of a century were notoriously bad. Yet the student of the period must be sensitive

to higher aspirations and better practices among many of the politicians, and among the rank and file of the people. George F. Hoar, John Sherman, Rutherford B. Hayes, Grover Cleveland and many others were incorruptible. The exposure of scandalous actions on the part of certain high officials blasted their careers, indicating that the body of the people would not condone dishonesty, and the parties found it advisable to accept the resignations of some of their more notorious campaign managers. Moreover, the American people of all classes were a political people, with a capacity for political organization and activity, and with a passion for change. The cruder forms of corruption were successfully combated, and the popular, as well as the official sense of good taste and propriety gradually reached higher levels.

Another fundamental political consideration after the Civil War was the gradual reduction of the power of the executive department. During the war the authority exercised by President Lincoln had risen to great heights, partly because of his personal characteristics and partly because the exigencies of the times demanded quick executive action. After the conflict was past, however, the legislative body naturally reasserted itself. Moreover, the quarrel between President Johnson and Congress, as has been shown, took the form of a contest for control over appointments to office and especially over appointments to the cabinet. The resulting impeachment, although it did not result in conviction, brought about a distinct shrinkage in executive prestige. Grant was so inexperienced in politics and so naïve in his judgments of his associates that he fell completely into the power of the machine and failed to revive the former importance and independence of his office.

The ascendancy which thus slipped out of the hands of the executive was seized by the Senate, where it remained for a long period, despite efforts on the part of the president and the House of Representatives to prevent it. So remarkable and continuous a domination is not to be explained by a single formula. The long term of the members of the Senate, the traditional high reputation of the body and the undoubted ability of many of its members assisted in upholding its prestige. Its small size as compared with the House of Representatives gave it greater flexibility. Furthermore, certain Senate practices were instrumental in giving that body its primacy. Under the provisions of the Constitution the Senate has power to ratify or reject the nominations of the executive to many important positions within his gift, and by the close of reconstruction it had acquired a firm control over such appointments. "Senatorial courtesy" bade every member, regardless of party, to concur with the decision of the senators from any state with regard to the appointments in which they were interested. When, therefore, the executive wished to change conditions in a given office he must have the acquiescence of the senators from the state in which the change was to occur. If he did not, the entire body would rally to the support of their colleagues and refuse to confirm the objectionable nominations. With such a weapon the Senate was usually able to force the executive into submission, or at least to make reforms extremely difcult. In Senator Hoar's suggestive words, senators went to the White House to give advice, not to receive it.

In connection with revenue legislation the Senate seized the leadership by means of an evasion of the Constitution. According to the terms of that docu-

ment, all bills for raising revenue must originate in the House of Representatives, but the Senate may propose amendments. Relying upon this power the Senate constantly revised measures to the extent of changing their character completely and even of grafting part or all of one proposal upon the title of another. In one case, early in the period, the Senate "amended" a House bill of four lines which repealed the tariff on tea and coffee; the "amendment" consisted of twenty pages, containing a general revision of customs duties and internal revenue taxes. At a later time the Senate Finance Committee drew up a tariff bill even before Congress had assembled.

The primacy of the Senate quickly led to recognition of the value of seats in it. Influential state politicians sought election in order to control the patronage. Competent judges in the early nineties declared, for example, that the senators from New York, Pennsylvania and Maryland were all of this type. Another considerable fraction was composed of powerful business men, directors in large corporations, who found it to their advantage to be in this most influential law-making body and who were known as oil or silver or lumber senators. So was laid the foundation of the complaint that the Senate was a millionaires' club. And so, too, it came about that much of state politics revolved about the choice of members for the upper house, for senators were elected by the state legislatures until long after 1890. The power of the House of Representatives, in contrast with the Senate, was relatively small except during the single session 1889–1891, when Thomas B. Reed was in control, although individual members sometimes wielded considerable influence.

Somewhat comparable to the shift in the center of

power from one federal authority to another, was the change which took place in the relative strength of the state and national governments. This transfer was most clearly seen in the decisions of the Supreme Court in cases involving the Fourteenth Amendment.

Previous to 1868, when the Amendment became part of the Constitution, comparatively little state legislation relating to private property had been reviewed by the Court. Ever since the establishment of the federal government, cases involving the constitutionality of state legislation had been appealed to United States Courts when they had been objected to as running counter to the clauses of the Constitution forbidding states to enact bills of attainder, *ex post facto* laws, or laws impairing the obligation of contracts. Their number, however, had been relatively small, and normally the acts of state legislatures had not been reviewed by federal courts; or in other words the tendency had been to preserve the individuality and strength of the several states. After the war, the Fourteenth and Fifteenth Amendments placed additional prohibitions on the states, and the decisions of the Supreme Court determined the meaning and extent of the added provisions. The interpretation of the Fourteenth Amendment was especially important. Most significant was the interpretation of Section 1, which reads as follows:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges and immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

So vague and inclusive were these phrases that many important questions immediately sprang from them. What were the privileges and immunities of the citizen? Did those of the citizen of the United States differ from those of the citizen of a state? Was a corporation a person? What was liberty? What was due process of law? Hitherto the protection of life, liberty and property had rested, in the main, upon the individual states, and cases involving these subjects had been decided by state courts. Were the state courts to be superseded, in relation to these vital subjects, by the United States Supreme Court?

It has already been shown that the purpose of the Fourteenth Amendment was the protection of the recently freed Negro. The Thirteenth Amendment had forbidden slavery, but the southern states had passed apprentice and vagrancy laws which reduced the Negro to a condition closely resembling slavery in certain of its aspects. The Fourteenth Amendment was designed to remedy such a condition by forbidding the states to abridge the privileges of citizens, or to deprive persons of life, liberty or property. Were the very vague phrases of the Amendment merely in keeping with the vagueness of many of the other grants of power in the Constitution, or were they designedly expressed in such a way as to accomplish something more than the protection of the freedman?

The first decision of the Supreme Court involving the Amendment was that given in the Slaughter House Cases in 1873, which did not concern the Negro in any way. In 1869 the legislature of Louisiana had given a corporation in that state the exclusive right to slaughter cattle within a large area, and had forbidden other persons to construct slaughter-houses within the limits of this region, but the corporation was to allow

any other persons to use its buildings and equipment, charging fixed fees for the privilege. Cases were brought before the courts to determine whether the law violated that part of the Fourteenth Amendment which forbids a state to pass laws abridging the privileges of citizens and taking away their property without due process of law. By a vote of five to four the Court upheld the constitutionality of the statute.

The majority held that the purpose of the Amendment was primarily the protection of the Negro. This purpose, the Court thought, lay at the foundation of all three of the war amendments and without it no one of them would ever have been suggested. The majority did not believe that the Congress which passed the amendments or the state legislatures which ratified them intended to transfer the protection of the great body of civil rights from the states to the federal government. Neither did they think that due process of law had been interfered with by the Louisiana legislation. In reply to the objection that the slaughter-house law violated the clause, "nor shall any State deny to any person within its jurisdiction the equal protection of the laws," the majority declared:

> We doubt very much whether any action of a State not directed by way of discrimination against the Negroes as a class, or on account of their race, will ever be held to come within the purview of this provision.

In brief, then, the majority was inclined to preserve the balance between the states and the national government very much as it had been. It believed that the amendments should be applied mainly if not wholly to the fortunes of the freedman and that judicial review of such legislation as that in Louisiana concerning the slaughter of cattle should end in the state courts.

For a time the interpretation of the Court remained that given by the majority in this decision. When western state legislatures passed laws regulating the rates which railroads and certain other corporations might legally charge for their services, the Court at first showed an inclination to allow the states a free hand. Regulation of this sort, it was held, did not deprive the citizen or the corporation of property without due process of law.

There were indications, nevertheless, that the opinion of the Court was undergoing a change as time elapsed. An interesting prelude to the change was an argument by Roscoe Conkling in San Mateo County *v.* Southern Pacific Railroad Company in 1882. Conkling was acting as attorney for the railroad and was attempting to show that the roads were protected, by the Fourteenth Amendment, from state laws which taxed their property unduly. Conkling argued that the Amendment had not been designed merely for the protection of the freedman, and in order to substantiate his contention, he produced a manuscript copy of the journal of the Congressional committee that had drawn up the proposals which later became the Fourteenth Amendment. He had himself been a member of the committee. The journal, it should be noticed, had never hitherto been utilized in public.

Conkling stated that at the time when the Amendment was being drafted, individuals and companies were appealing for congressional protection against state taxation laws, and that it had been the purpose of the committee to frame an amendment which should protect whites as well as blacks and operate in behalf of corporations as well as individuals. In other words, Conkling was making the interesting contention that his committee had had a far wider and deeper purpose

in mind in phrasing the Amendment than had been commonly understood and that the demand for the protection of the Negro from harsh southern legislation had been utilized to answer the request of business for federal assistance. The safety of the Negro was put to the fore; the purpose of the committee to strengthen the legal position of the corporations was kept behind the doors of the committee-room; and the phrases of the Amendment had been designedly made general in order to accomplish both purposes. The sequel appeared four years later, in 1886, when the case Santa Clara County *v.* Southern Pacific Railroad brought the question before the Court. At this time Mr. Chief Justice Waite announced the opinion of himself and his colleagues that a corporation was a "person" within the meaning of the Amendment and thus entitled to its protection.

Later decisions, such as that of 1889 in Chicago, Milwaukee and St. Paul Railway Company *v.* Minnesota, left no doubt of the fact that the Court had come to look upon the Fourteenth Amendment as much more than a protective device for the Negro. The full meaning of the change, however, did not appear until after 1890, and is a matter for later consideration. In brief, then, before 1890, the Supreme Court was content in the main to avoid the review of state legislation concerning the ownership and control of private property, a practice which lodged great powers in the state courts and legislatures. By that year, however, it was manifest that the Court had undergone a complete change and that it had adopted a theory which would greatly enlarge the functions of the federal courts, at the expense of the states. The medium through which the change came was the Fourteenth Amendment.

The demand on the part of business men for protection from state legislation, which Roscoe Conkling described in the San Mateo case, arose from their belief in the economic doctrine of *laissez faire*. Believers in this theory looked upon legislation which regulated business as a species of meddling or interference. The individual, they thought, should be allowed to do very much as he pleased, entering into whatever business he wished, and buying and selling where and how and at what prices suited his interests, stimulated and controlled by competition, but without direction or restriction by the government. It was believed that the amazing success of the American business pioneer was proof of the wisdom of the *laissez faire* philosophy. The economic giant and hero was the self-made man.

Economic abuses, according to the *laissez faire* philosophy, would normally be corrected by economic law, chiefly through competition. If, for illustration, any industry demanded greater returns for its products than proved to be just in the long run, unattached capital would be attracted into that line of production, competition would ensue, prices would be again lowered and justice would result. Every business man would exert himself to discover that employment which would bring greatest return for the capital which he had at his command. He would therefore choose such an industry and so direct it as to make his product of the greatest value possible. Hence although he sought his own interests, he would in fact promote the interest of the public.

Indeed the philosopher of *laissez faire* was sincerely convinced that his system ultimately benefited society as a whole. Andrew Carnegie, an iron and steel manufacturer, presented this thesis in an article in the

North American Review in 1889. The reign of individualism, he held, was the order of the day, was inevitable and desirable. Under it the poorer classes were better off than they had ever been in the world's history. "We start then," he said, "with a condition of affairs under which the best interests of the race are promoted, but which inevitably gives wealth to the few. Thus far, accepting conditions as they exist, the situation can be surveyed and pronounced good." Let the man of ability, he advised, accumulate a large fortune and then discharge his duty to the public through philanthropic enterprises, such as the foundation of libraries. Society would be more highly benefited in this way than by allowing the millions to circulate in small sums through the hands of the masses. Statistical studies of the distribution of wealth seemed to justify Carnegie's judgment that the existing tendency was for wealth to settle into the hands of the few. In 1893 it was estimated that three one-hundredths of one per cent. of the people owned twenty per cent. of the nation's wealth.

Although the *laissez faire* theory was dominant later even than 1890, it was apparent before that time that its sway was being challenged. The adherents of *laissez faire* themselves did not desire to have the doctrine applied fully and evenly. They demanded government protection for their enterprises through the medium of high protective import tariffs, and they sought subsidies and grants of public land for the railroads. Naturally it was not long before the classes whose desires conflicted with the manufacturing and railroad interests began in their turn to seek aid from the government. The people of the Middle West, for example, were not content to allow the railroad companies to control their affairs and establish their rates

without let or hindrance from the state legislatures. The factory system in the Northeast, likewise, raised questions which were directed toward the foundations of *laissez faire*. Under the factory regime employers found it advantageous to open their doors to women and children and to keep them at machines for long, hard days which unfitted the women for domestic duties and for raising families, and which stunted the children in body and mind. Out of these circumstances arose a demand for restrictions on the freedom of employers to fix the conditions under which their employees worked.

Opposition to an industrial system based upon *laissez faire* would have been even greater during the seventies and eighties if it had not been for two sources of national wealth—the public lands and the supplies of lumber, ore, coal and similar gifts of nature. When the supply of land in the West was substantially unlimited, a sufficient part of the population could relieve its economic distresses by migrating, as multitudes did. Such huge stores of natural wealth were being discovered that there seemed to be no end to them. But in the late eighties when the best public lands were nearly exhausted and the need of more careful husbanding of the national resources became apparent to far-sighted men, advanced thinkers began to question the validity of an economic theory which allowed quite so much freedom to individuals. For the time, however, such questions did not arise in the minds of the masses.

As the *laissez faire* doctrine underlay the problem of the relation between government and industry, so the quantity theory of money was fundamental in the monetary question. According to the quantity theory, money is like any other commodity in that its value

rises and falls with variations in the supply and demand for it. Suppose, for example, that a given community is entirely isolated from the rest of the world. It possesses precisely enough pieces of money to satisfy the needs of its people. Suddenly the number of pieces is doubled. The supply is twice as great as business requires. If no new elements enter into the situation, the value of each piece becomes half as great as before, its purchasing power is cut in two and prices double.[1] A bushel of potatoes that formerly sold for a dollar now sells at two dollars. A farmer who has mortgaged his farm for $1,000 and who relies upon his sales of potatoes to pay off his debt is highly benefited by the change, while the creditor is correspondingly harmed. The debtor is obliged to raise only half as many potatoes; the creditor receives money that buys half the commodities that could have been purchased with his money at the time of the loan.

On the other hand, suppose the number of pieces of money is instantly halved and all other factors continue unchanged. There is now twice as great a demand for each piece, it becomes more desirable and will purchase more goods. Prices, that is to say, go down. Dollar potatoes now sell for fifty cents. The debtor farmer must grow twice as many potatoes as he had contemplated; the creditor finds that he receives money that has doubled in purchasing power.

It has already been said that the quarter century after the war was, in the main, a period of falling prices. The farmer found the size of his mortgage, as measured in bushels of wheat and potatoes, growing steadily and relentlessly greater. The creditor re-

[1] In practice, new elements do enter into the situation so that the theory requires much qualification. Cf. Taussig, *Principles of Economics* (1915), I, ch. 18.

ceived a return which purchased larger and larger quantities of commodities. The debtor class was mainly in the West; the creditors, mainly in the East. The westerners desired a larger quantity of money which would, as they believed, send prices upward; the East, depending upon similar reasoning, desired a contraction in supply. The former were called inflationists; the latter, contractionists. Much of the monetary history of the country after the Civil War was concerned with the attempt of the inflationists to expand the supply of currency, and the contractionists to prevent inflation.

The intellectual background of the twenty-five years after the war, so far as it can be considered at this point, was to be found mainly in the development of education and the growth of the newspaper and periodical. Before the Civil War, except in the South, the old-time district school had given way, in most states, to graded elementary schools, supported by taxation. After the war the southern states made heroic efforts to revive education, in which they were aided by such northern benefactions as the Peabody Educational Fund of $2,000,000 established in 1867. In the northern states the schools were greatly improved, free text-books became the rule, the free public high-schools replaced the former private academies, and normal schools for the training of teachers were established. The period was also marked by the foundation of scores of colleges and especially of the great state universities. The Morrill Act of July 2, 1862 had provided for a grant to each state of 30,000 acres of public land for every senator and representative in Congress to which the state was entitled. The land was to be used to promote education in the agricultural and mechanic arts, and in the natural sciences. The

advantages of the law were quickly seen, and between 1865 and 1890 seventeen state universities were started, most of them in the Middle and Far West. Many of these underwent a phenomenal growth and had a great influence on the states in which they were established.

The newspaper press was also undergoing a transformation in the quarter century after the war. The great expansion of the numbers and influence of American newspapers before and during that struggle had been due to the ability of individuals. James Gordon Bennett had founded the New York *Herald,* for example, in 1835, and from then on the *Herald* had been "Bennett's paper." Similarly the *Tribune* had represented Horace Greeley and the *Times,* Henry J. Raymond. The effect of the war was to develop technical resources in gathering news, to necessitate a larger scale of expenditure and a wider range of information, and to make a given issue the work of many men instead of one. Raymond died in 1869, Greeley and Bennett in 1872; and although the *Sun* was the embodiment of Charles A. Dana until his death in 1897, the *Nation* and the *Evening Post* of Edwin L. Godkin until 1899, nevertheless the tendency was away from the newspaper which reflected an individual and toward that which represented a group; away from the editorial which expressed the views of a well-known writer, to the editorial page which combined the labors of many anonymous contributors. The financial basis of the newspaper also underwent a transition. As advertising became more and more general, the revenues of newspapers tended to depend more on the favor of the advertiser than upon the subscriber, giving the former a powerful although indirect influence on editorial policies.

The influence of the press in politics was rapidly

growing. A larger number of newspapers became sufficiently independent to attack abuses in both parties. The New York *Times* and Thomas Nast's cartoons in *Harper's Weekly* were most important factors in the overthrow of the Tweed Ring in New York City, and in the elections of 1884 and later, newspapers exerted an unusual power. Press associations in New York and the West led the way to the Associated Press, with its wide-spread cooperative resources for gathering news.

As important as the character of the press, was the amount and distribution of its circulation. Between 1870 and 1890 the number of newspapers published and the aggregate circulation increased almost exactly threefold—about five times as fast as the population was growing. In the latter year the entire circulation for the country was over four and a half billion copies, of which about sixty per cent. were dailies. So great had been the growth of the press during the seventies that the census authorities in 1880 made a careful study of the statistical aspects of the subject. It appeared from this search that newspapers were published in 2,073 of the 2,605 counties in the Union. Without some such means of spreading information, it would have been impossible to conduct the great presidential campaigns, in which the entire country was educated in the tariff and other important issues.

The expansion of the press is well exemplified by the use of the telegraph in the spread of information. When Lincoln was nominated for the presidency in 1860, a single telegraph operator was able to send out all the press matter supplied to him. In 1892 at the Democratic convention, the Western Union Telegraph Company had one hundred operators in the hall. Mechanical invention, meanwhile, was able to keep pace

with the demand for news. The first Hoe press of 1847 had been so improved by 1871 that it printed ten to twelve thousand eight-page papers in an hour, and twenty-five years later the capacity had been increased between six and sevenfold.

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CHAPTER V

THE NEW ISSUES

OUT of the economic and political circumstances which have just been described, there were emerging between 1865 and 1875 a wide variety of national problems. Such questions were those concerning the proper relation between the government and the railroads and industrial enterprises; the welfare of the agricultural and wage-earning classes; the assimilation of the hordes of immigrants; the conservation of the resources of the nation in lumber, minerals and oil; the tariff, the financial obligations of the government, the reform of the civil service, and a host of lesser matters. The animosities aroused by the war, however, and the insistent nature of the reconstruction question almost completely distracted attention from most of these problems. Only upon the tariff, finance and the civil service did the public interest focus long enough to effect results.

The tariff problem has periodically been settled and unsettled since the establishment of the federal government. Just previous to the war a low protective tariff had been adopted, but the outbreak of the conflict had necessitated a larger income; and the passage of an internal revenue act, together with a higher protective tariff, had been the chief means adopted to meet the demand. By 1864 the country had found itself in need of still greater revenues, and again the internal and tariff taxes had been increased. These acts were in

force at the close of the war. The internal revenue act levied taxes upon products, trades, and professions, upon liquors and tobacco, upon manufactures, auctions, slaughtered cattle, railroads, advertisements and a large number of smaller sources of income.

The circumstances that had surrounded the framing and passage of the tariff act of 1864 had been somewhat peculiar. The need of the nation for revenue had been supreme and there had been no desire to stint the administration if funds could bring the struggle to a successful conclusion. Congress had been willing to levy almost any rates that anybody desired. The combination of a willingness among the legislators to raise rates to any height necessary for obtaining revenue, and a conviction on their part that high rates were for the good of the country brought about a situation eminently satisfactory to the protectionist element. There had been no time to spend in long discussions of the wisdom of the act and no desire to do so; and moreover the act had been looked upon as merely a temporary expedient. It is not possible to describe accurately the personal influences which surrounded the passage of the law. It is possible, however, to note that many industries had highly prospered under the war revenue legislation. Sugar refining had increased; whiskey distilling had fared well under the operation of the internal revenue laws; the demands of the army had given stimulus to the woolen mills, which had worked to capacity night and day; and the manufacture and use of sewing machines, agricultural implements and the like had been part of the industrial expansion of the times. Large fortunes had been made in the production of rifles, woolen clothing, cotton cloth and other commodities, especially when government contracts could be obtained. Naturally

the tax-levying activities of Congress had tended to draw the business interests together to oppose or influence particular rates. The brewers, the cap and hat manufacturers, and others had objected to the taxes on their products; the National Association of Wool Manufacturers and the American Iron and Steel Association had been formed partly with the idea of influencing congressional tariff action.

After the close of the war, the tariff, among other things, seemed to many to require an overhauling. Justin S. Morrill, a member of the House Committee on Ways and Means, and one of the framers of the act of 1864, argued in favor of the protective system although he warned his colleagues:

> At the same time it is a mistake of the friends of a sound tariff to insist upon the extreme rates imposed during the war, if less will raise the necessary revenue. . . . Whatever percentage of duties were imposed upon foreign goods to cover internal taxes upon home manufactures, should not now be claimed as the lawful prize of protection where such taxes have been repealed. . . . The small increase of the tariff for this reason on iron, salt, woolen, and cottons can not be maintained except on the principle of obtaining a proper amount of revenue.

Sentiment was strong against the tariff in the agricultural parts of the West and especially in those sections not committed to wool-growing. Great personal influence was exerted on the side of "tariff-reform" by David A. Wells, a painstaking and able student of economic conditions who was appointed special commissioner of the revenue in 1866. As a result of his investigations he became converted from a believer in protection to the leader of the opposition, and his reports had a considerable influence in the formation of

opinion in favor of revision. The American Free Trade League was formed and included such influential figures as Carl Schurz, Jacob D. Cox, Horace White, Edward Atkinson, E. L. Godkin, editor of *The Nation,* and many others. William B. Allison and James A. Garfield, both prominent Republican members of the House, were in favor of downward revision.

In 1867 a bill providing for many reductions passed the Senate as an amendment to a House bill which proposed to raise rates. Far more than a majority in the House were ready to accept the Senate measure, but according to the rules it was necessary to obtain a two-thirds vote in order to get the amended bill before the House for action. This it was impossible to do. Nevertheless, the wool growers and manufacturers were able "through their large influence, persistent pressure and adroit management" to procure an act in the same session which increased the duties on wool and woolens far above the war rate. In 1869 the duties on copper were raised, as were those on steel rails, marble, flax and some other commodities in 1870.

The growth of the Liberal Republican movement in 1872, with its advocacy of downward revision, frightened somewhat the protectionist leaders of the Republican organization. It was believed that a slight concession might prevent a more radical action, and just before the campaign a ten per cent. reduction was brought about. In 1873 the industrial depression so lowered the revenues as to present a plausible opportunity for restoring duties to their former level in 1875, where they remained for nearly a decade.

The lack of effective action on the part of the tariff reformers of both parties was due to a variety of causes. In the years immediately following the war,

the Republicans in Congress were more interested in their quarrel with President Johnson than in tariff reform. Furthermore, the unpopular internal revenues were being quickly reduced between 1867 and 1872, and it was argued that a simultaneous reduction of import taxes would decrease the revenue too greatly. Moreover there was no solidarity among the Democrats, the South was discredited, and at first not fully represented. Wells was driven out of office in 1870, the Liberal Republican movement was a failure, the protected manufacturers knew precisely what they wanted, they knew how to achieve results and some of them were willing to employ methods that the reformers were above using. As time went on and the country was, in the main, rather prosperous, many people and especially the business men made up their minds that the war tariffs were a positive benefit to the country. For these reasons a war policy which had generally been considered a temporary expedient became a permanent political issue and a national problem.

The positions of the two political parties on the tariff were not sharply defined during the ten years immediately following the war. The Democrats seemed naturally destined for the rôle of revisionists because of their party traditions, their support in the South—ordinarily a strong, low-tariff section—and because they were out of power when high tariffs were enacted. Yet the party was far from united on the subject. Some prominent leaders were frankly protectionists, such as Samuel J. Randall of Pennsylvania, who was Speaker of the House for two terms and part of another. The party platform ordinarily was silent or non-committal. In 1868, for example, the Democratic tariff plank was wide and generous enough for a complete platform. The party stood for

a tariff for revenue upon foreign imports, and such equal taxation under the internal revenue laws as will afford incidental protection to domestic manufacturers, and as will, without impairing the revenue, impose the least burden upon, and best promote and encourage, the great industrial interests of the country.

In 1872 the "straight" Democrats, that is those who refused to support Greeley, were for a "judicious" revenue tariff; but in 1876 the party denounced the existing system as "a masterpiece of injustice, inequality and false pretence." Democratic state platforms were even less firm; in fact, the eastern states seemed committed to protection. In Congress, however, most of the opposition to the passage of tariff acts was supplied by the Democrats.

The attitude of the Republicans was more important, because theirs was the party in power. There was, as has been shown, a strong tariff-reform element, and in some of the conventions care seems to have been taken to avoid any definite statement of principles—doubtless on account of the well-known differences in the party—and for many years there was no clearly defined statement of the attitude of the organization. Yet it must be emphasized that Republicans were usually protectionists in the practical business of voting in Congress. Skillful Republican leaders gave way a little in the face of opposition but regained the lost ground and a little more, after the opposition retreated. Since the war-tariffs had been passed under Republican rule, it was easy to clothe them with the sanctity of party accomplishments.

Fully as technical as the tariff problem, and presenting a wider range for the legislative activities of Congress, was the financial situation in which the coun

try found itself in 1865. The total expenditures from June 30, 1861 to June 30, 1865 had been somewhat more than three and one-third billions of dollars, an amount almost double the aggregate disbursements from 1789 to 1861. Officers accustomed to a modest budget and used to working with machinery and precedents which were adapted to the day of small things, had been suddenly called upon to work under revolutionized conditions. From the point of view of expense, merely, one year's operations during the war had been equivalent to thirty-six times the average outlay of the years hitherto. As has been shown, the major part of the income necessary for meeting the increased expenses had been obtained by means of the tariff and internal revenue taxes.

The tariff worked to the advantage of many people, and its retention was insistently demanded by them; the internal revenue taxes were disliked, and few things were more popular after the war than their reduction. In 1866 an act was passed which lowered the internal revenue by an amount estimated at forty-five to sixty millions of dollars. In succeeding years further reductions were made, so that by 1870 the scale was low enough to withstand attacks until 1883.

The national debt was the source of more complicated questions. It was composed, on June 30, 1866, of a variety of loans carrying five different rates of interest and maturing in nineteen different periods of time. Parts of it had been borrowed in times of distress at high rates; but after the struggle was successfully ended, the credit of the government was good, and enough money could be obtained at low interest charges to cancel the old debt and establish a new one with the interest account correspondingly reduced. Hugh McCulloch and John Sherman as secretaries of

the treasury were most influential in accomplishing this transition, and by 1879 the process was completed and a yearly saving of fourteen million dollars effected.

Differences of opinion concerning the kind of money with which the principal of the debt should be paid brought this matter into the field of politics. When the earliest loans had been contracted, no stipulation had been made in regard to the medium of payment. Later loans had been made redeemable in "coin," without specifying either gold or silver; while still later bonds had been sold under condition that the interest be paid in coin, although nothing had been said about the principal. There was considerable demand for redemption of the bonds in paper money, except where there was agreement to the contrary, although the previous custom of the government had been to pay in coin. The proposal to repay the debt in paper currency, the "Ohio idea," gained considerable ground in the Middle West, as has already been explained. In the campaign of 1868 the Democratic platform advocated the Ohio plan. Some of the Republicans, like Thaddeus Stevens, agreed with this policy; some of the Democrats opposed it—Horatio Seymour, the presidential candidate, among them. Nevertheless the Democratic platform committed the party to payments in greenbacks unless express contract prevented, while the Republicans denounced this policy as "repudiation" and promised the payment of the debt in "good faith" according to the "spirit" and "letter" of the laws. The credit of the government was highly benefited by the payment of the debt in gold, yet the bonds had been purchased during the war with depreciated paper, and gold redemption greatly enriched the purchasers at the expense of the remainder of the population. It is hardly surprising that the debtor classes

were not enthusiastic over this outcome. The Republicans on being successful in the election and coming into power, carried out their campaign promises and pledged the faith of the country to the payment of the debt in coin or its equivalent.

The income tax was a method of raising revenue which did not produce any considerable returns until after the war was over. Acts passed during the war had levied a tax on all incomes over six hundred dollars and had introduced progressively increasing rates on higher amounts. Incomes above $5,000, for example, were taxed ten per cent. The greatest number of people were reached and the largest returns obtained in 1866 when nearly half a million persons paid an aggregate of about seventy-three million dollars. The entire system was abolished in 1872.

Aside from the tariff, the "legal-tender" notes gave rise to the greatest number of political and constitutional tangles. By acts of February 25, 1862 and later, Congress had provided for the issue of four hundred and fifty million dollars of United States paper notes, which were commonly known as greenbacks or legal-tenders. The latter name came from the fact that, under the law, the United States notes were legal tender for all debts, public or private, except customs duties and interest on the public debt. In other words, the law compelled creditors to receive the greenbacks in payment of all debts, with the two exceptions mentioned. Three main questions arose in connection with these issues of paper: whether Congress had power under the Constitution to make them legal tender; whether their volume should be allowed to remain at war magnitude, be somewhat contracted or entirely done away with; and whether the government should resume specie payments—that is, exchange gold

for paper on the demand of holders of the latter.

The first of these questions was twice decided in the Supreme Court. In 1870, in Hepburn *v.* Griswold, the point at issue was whether the greenbacks could lawfully be offered to satisfy a debt contracted before the legal-tender act had been passed. As it happened, Salmon P. Chase, who had been Secretary of the Treasury during the war, was now Chief Justice of the Supreme Court and delivered its opinion. By a vote of four to three it decided that the greenbacks were not legal tender for contracts made previous to the passage of the law. At the time when the case was decided, however, there were two vacancies on the bench which were immediately filled, and shortly thereafter two new cases involving the legal-tender act were brought before the Court (Knox *v.* Lee, and Parker *v.* Davis). The decision, which was announced in 1871, over-ruled the judgment in Hepburn *v.* Griswold and held by a vote of five to four that the legal-tender act was constitutional as applied to contracts made either before or after its passage.

The second question relating to the greenbacks was that in regard to their volume. At first Congress adopted the policy of contraction and when greenbacks came into the treasury they were destroyed. As continued contraction tended to make the volume of currency smaller and to make money harder to get, and therefore, to raise its value, the debtor classes began to object. As early as 1865 there was strong sentiment against contraction and in favor of paying the public debt in paper. Economic distress in the West furthered the movement and some of the Republican leaders were doubtful of the wisdom of reducing the outstanding stock of paper. Contraction was stopped, therefore, in 1868, and only President Grant's veto in

1874 prevented an increase in the amount. Eventually, in 1878, the amount then in circulation—$346,681,000—was fixed by a law forbidding further contraction.[1]

The western farmers, meanwhile, were feeling the pinch of falling prices. Believing that their ills were due to the scarcity of money, they opposed the policy of contraction and even launched the Greenback party to carry out their principles. In 1876 it polled 80,000 votes, and in 1878 at the time of the congressional elections over 1,000,000, but thereafter its strength rapidly declined. Neither the East nor the West understood the motives of the other in this controversy. Eastern congressmen considered western insistence upon a a large volume of currency as a dishonest movement to reduce bond values by legislation. Such an action, they asserted, would do away with the national integrity. The people of the West thought of the eastern bondholders as "fat bullionists" who dined at costly restaurants on terrapin and Burgundy and paid for their luxuries with bonds whose values were raised by a contracted currency.

The third question relating to the greenbacks was that of the resumption of specie payments. At the close of the war practically all the money in circulation was paper, which passed at a depreciated value because it was not redeemable in coin. The obvious thing was to resume the exchange of specie for paper and thus restore the latter to par value, but serious obstacles stood in the way. A money crisis in 1873 aroused a clamor for larger supplies of paper; gold was hard to procure, as France and Germany were both accumulating a redemption fund and specie was actually flowing out of the country. Outside of the

[1] This is the amount still outstanding.

treasury there was little gold in the United States, the amount being less than one hundred million dollars as late as 1877. The friends of resumption could not be sure of the feasibility of their project, and the opponents were aggressive and numerous.

In the elections of 1874 the Republicans were severely defeated, and it was seen that the Democrats would have a clear majority in the next House of Representatives. Hence the Republicans hurried through a resumption bill on January 14, 1875—a sort of death-bed act. It authorized the secretary of the treasury to raise gold for redemption purposes, and set January 1, 1879, as the date when resumption should take place. As in the case of the tariff, the political parties found difficulty in determining which side of the resumption question they desired to take. Although the Democratic platform of 1868 contained a greenback plank, yet some of its leaders opposed, and the state platforms of 1875 and 1876 demanded resumption. The national platform of the latter year both denounced the Republicans for not making progress toward resumption and demanded the repeal of the act of 1875, without disclosing whether the party was prepared to offer any improvements. In November, 1877, a bill practically repealing the resumption act passed the House—the western and southern Democrats furnishing most of the affirmative votes, assisted by twenty-seven Republicans. A resolution declaring it to be the opinion of Congress that United States bonds were payable in silver was introduced and advocated by many Republicans. On the other hand, eastern state Democratic and Republican platforms were much alike. Apparently, therefore, differences of opinion in regard to the greenbacks and resumption were caused as much by sectional as by party considerations.

More lasting than finance as a political issue but less enduring than the tariff, was the reform of the civil service. In its widest sense, the term civil service included all non-military government officers from cabinet officials and supreme court judges to the humblest employee in the postal or naval service. The reform, however, was directed mainly toward the appointment and tenure of the lower officers. Before the Civil War the "spoils system" had been in full swing; appointments to positions had been frankly used as rewards for party activity; office-holders had been openly assessed a fraction of their salaries in order to fill the treasure chest at campaign times; rotation in office had been the rule. During the war, President Lincoln had found his ante-room filled with wrangling, importunate office-seekers who consumed time which he needed for the problems of the conflict. As he himself had expressed the situation, he was like a man who was letting offices in one end of his house while the other end was burning down. During the war, also, the patronage at the disposal of the government had vastly increased. Not only had the number of laborers, clerks and officials become greater, but numerous contracts had been let for the production of war materials, and manufacturers and merchants intrigued for a share of federal business. "Influence" and position had been more powerful than merit in procuring the favor of government officers.

After the war many abuses that had earlier been overlooked began to attract the attention of a few thoughtful men. It was estimated that not more than one-half to three-fourths of the legitimate internal revenue was collected during Johnson's presidency, so corrupt and inefficient were the revenue collectors. Endless Indian troubles and countless losses of money

resulted from the corruption of the federal Indian agents. Conditions were even worse during the Grant regime. The President's appointments were wretched; he placed his relatives in official positions; revenue frauds amounting to $75,000,000 were discovered during his second administration. In certain departments, it was customary, when vacancies occurred, to allow the salaries to "lapse"—that is, accumulate—so as to provide a fund to satisfy patronage seekers. In one case, thirty-five persons were put on the "lapse fund" for eight days at the end of a fiscal year, in order to "sop up" a little surplus which was in danger of being saved and returned to the treasury. One customs collector at the port of New York removed employees at an average rate of one every three days; another, three every four days; and another, three every five days, in order to provide places for party workers. One secretary in an important department of the government had seventeen clerks for whom he had no employment. The party assessments on office-holders became little short of outrageous. Two or three per cent. of the salary of the lower officers was called for, while the more important officials were expected to contribute much larger sums. In New York —for the system held in the states and cities—candidates for the mayoralty were reputed to pay $25,000 to $30,000; judges, $10,000 to $15,000; and representatives in Congress, $10,000. While these conditions were by no means wholly due to the spoils system, the method of appointment in the civil service made a bad matter worse.

Conditions such as these could hardly fail to produce a reform movement. In fact, as far back as 1853 some elementary and ineffective legislation had attempted a partial remedy. The war gave added impetus to the

movement and attention turned to the reform systems of Great Britain and other countries, where problems similar to ours had already been met and solved. The first American who really grasped civil service reform was Thomas A. Jenckes, a member of Congress from Rhode Island. He introduced reform bills in 1865 and later, based on studies of English practice and on correspondence with the leaders of reform there; but no legislation resulted. In brief, his plan provided for the appointment of employees in the public service on the basis of ability, determined by competitive examinations. After a time Jenckes and his associates achieved considerable success and finally interested President Grant in their project. In 1871 they got a rider attached to an appropriation bill which authorized the chief executive to prescribe rules for the admission of persons into the civil service and allowed him to appoint a commission to put the act into effect. George William Curtis, a well-known reformer, was made chairman, and rules were formulated which were applied to the departments at Washington and to federal offices in New York. Grant, although favorable to the reform, was not enthusiastic about it, and soon made an appointment which was so offensive that Curtis resigned. Congress, nothing loath, refused to continue the necessary appropriations and the reform project continued in a state of suspended animation until the inauguration of President Hayes.

The human elements in the struggle for civil service reform, both during the decade after the war and for many years later, are necessary for an understanding of the course of the controversy and its outcome. These elements included the advocates of the patronage system, the reformers and the president.

Sometimes the advocates of the patronage system

viewed the reform with contempt. Roscoe Conkling, for example, expressed his sentiments in the remark, "When Dr. Johnson said that patriotism was the last refuge of the scoundrel he ignored the enormous possibilities of the word reform!" Sometimes they attempted to discredit the project by an exaggeration of its effects, as when John A. Logan declared that he saw in it a life-tenure and an aristocratic caste. "It will not be apparent how great is its enormity," he declared in Congress, "how vicious are its practices and how poisonous are its influences until we are too far encircled by its coils to shake them off." The strength of the exponents of the patronage system, however, lay not in their capacity for contempt and ridicule, but in a theory of government that was founded upon certain very definite human characteristics. The theory may be clearly seen in the *Autobiography* of Thomas C. Platt, a colleague of Conkling in the Senate and for many years the boss of New York state. It may be expressed somewhat as follows.

In the field of actual politics, parties are a necessity and organization is essential. It is the duty of the citizen, therefore, to support the party that stands for right policies and to adhere closely to its official organization. Loyalty should be rewarded by appointment to positions within the gift of the party; and disloyalty should be looked upon as political treason. One who votes for anybody except the organization candidate feels himself superior to his party, is faithless to the great ideal and is only a little less despicable than he who, having been elected to an office through the energy and devotion of the party workers, is then so ungrateful as to refuse to appoint the workers to positions within his gift. Positions constitute the cohesive force that holds the organization intact.

The second of the human elements, the reform group, was led by such men as George William Curtis, Dorman B. Eaton and Carl Schurz, with the support of periodicals like *Harper's Weekly* and *The Nation*. The career and character of Curtis is typical at once of the strength and the weakness of the group. As a young man Curtis had intended to enter a business career, but finding it unsuited to his tastes he had abandoned his ambition, spent some years in European travel and then devoted himself to literary work, first on *Harper's Magazine* and afterwards, for many years, as editor of *Harper's Weekly*. He had early interested himself in politics, had been in the convention which nominated Lincoln, had taken part in numerous state and national political conferences and conventions, was president of the Metropolitan Museum of Art in New York and chancellor of the University of the State of New York. For many years, during the period when civil service reform was making its fight for recognition, Curtis was the president and one of the moving spirits of the National Civil Service Reform League. In politics he was an independent Republican. Although of the intellectual class, like the other prominent leaders of the reform movement, he was a man of practical political ability, not a mere observer of politics, so that he and his associates made up in capacity and influence what they lacked in breadth of appeal. Some of the leaders were patient men who expected that results would come slowly and who were ready to accept half a loaf of reform rather than no loaf at all, but there were also such impatient critics as E. L. Godkin who put so much emphasis on the failures of the reformers as to overshadow their positive achievements. Moreover, there were the well-meaning but impracticable people who constituted what

Theodore Roosevelt once called the "lunatic fringe" of reform movements.

The attitude of the exponents of the patronage system toward the reformers was one of undisguised contempt. In a famous speech delivered at a New York state convention in Rochester in September, 1877, Conkling poured his scorn on the reform element in general and on Curtis in particular, as "man-milliners," "carpet-knights of politics," "grasshoppers in the corner of a fence," and disciples of ladies' magazines with their "rancid, canting self-righteousness."

The third personal element in the reform controversy was the chief executive. Beginning with Grant, if not with Lincoln, the presidents were favorable to the progress of reform, but they were surrounded by circumstances that made vigorous action a difficult matter. The task of distributing the patronage was a burden from which they would have been glad to be relieved, yet the demands of the party organization were insistent, and to turn a constantly deaf ear to them would have been to court political disaster. The executive was always in the position of desiring to further an ideal and being obliged to face the hard facts of politics. The progress which he made, therefore, depended on how resolutely he could press forward his ideal in the face of continued opposition. A great difficulty lay in getting subordinates—in the cabinet, for example—who were in sympathy with progress, and sometimes even the vice-presidential nomination was given to the patronage element in the party in order to placate that faction, while the presidential nominee was disposed to reform.

Public opinion was slow in forming and was lacking in the means of definite expression. For many years after the war there was widespread fear that the instal-

lation of a Democratic president would result in the wholesale debauch of the offices, and sober northerners believed, or thought they believed, that "rebels" would again be in power if a Democrat were elected. Under such conditions and because the offices were already filled with Republicans, the Republican North was willing to leave things as they were.

The party pronouncements on civil service reform were as evasive as they were on finance and the tariff. To be sure the Liberal Republicans in 1872 sincerely desired reform and made it the subject of a definite plank in their platform, but the wing of the Democratic party that refused to ally with them was silent on the civil service, and the "straight" Republicans advocated reform in doubtful and unconvincing terms. In 1876 both party platforms were even more vague, although Hayes himself was openly committed to the improvement of the service.

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CHAPTER VI

THE ADMINISTRATION OF RUTHERFORD B. HAYES

THE conditions which confronted President Hayes when the final decision of the Electoral Commission placed him in the executive chair did not make it probable that he could carry out a program of positive achievement. The withdrawal of troops from the South had been almost completed, but the process of reconstruction had been so dominated by suspicion, ignorance and vindictiveness that sectional hostility was still acute. As has been seen, the economic problems which faced the country were for the most part unsolved; on the subjects of tariff, finance and the civil service, neither party was prepared to present a united front; and the lack of foresight and statesmanlike leadership in the parties had given selfish interests an opportunity to seize control. Nor did the circumstances surrounding the election of Hayes tend to simplify his task, for the disappointment of the Democrats was extreme, and they found a natural difficulty in adjusting themselves to the decision against Tilden. Democratic newspapers dubbed Hayes "His Fraudulency" and "The Boss Thief," printed his picture with "Fraud" printed across his brow and referred to his election as the "steal" and a "political crime."

The man who was to essay leadership under such conditions had back of him a useful even if not brilliant career. He had been born in Ohio in 1822, had graduated from Kenyon College as valedictorian of his class, attended Harvard Law School and served on the

Union side during the war, retiring with the rank of a brevet Major General. He had been twice elected to Congress, but had resigned after his second election to become governor of his native state, a position which he had filled for three terms.

Hayes was a man of the substantial, conscientious and hard-working type. He was not brilliant or magnetic, he originated no innovations, burst into no flights of imaginative oratory. His state papers were planned with painstaking care—first, frequently, jotted down in his diary and then elaborated, revised, recopied and revised again. The vivid imagination and high-strung emotions that made Clay and Blaine great campaigners were lacking in Hayes. He was gentle, dignified, simple, systematic, thoughtful, serene, correct. In making his judgments on public questions he was sensitive to moral forces. The emancipation of the slaves was not merely wise and just to him—it was "Providential." He favored a single six-year term for the President because it would safeguard him from selfish scheming for another period of power. Partly because of the lack of dash and compelling force in Hayes, but more because of the low standards of political action which were common at the time, his scruples seemed puritanical and were held up to ridicule as the milk-and-water and "old-Woman" policies of "Granny Hayes." His public, as well as his private life, was unimpeached in a time when lofty principles were not common and when scandal attached itself to public officers of every grade. To his probity and the "safe" character of his views, as well as to his record as governor of an important state, was due his elevation to the presidency.[1] In his habit of self-analysis, Hayes

[1] For a time public interest was absorbed by the determination of President and Mrs. Hayes to serve no wines of any kind in the White

was reminiscent of John Quincy Adams. Like Adams he kept a diary from his early youth, the serious and mature entries in which cause the reader to wonder whether Hayes ever had a childhood. When he had just passed his twentieth birthday he confided to his diary that he found himself unsatisfied with his progress in Blackstone, that he must curb his "propensity" to read newspapers to the exclusion of more substantial matter, and in general that he was "greatly deficient in many particulars." Then and in later years he noted hostile criticisms of himself and combated them, recorded remarks that he had heard, propounded questions for future thought, expressed a modest ambition or admitted a curbed elation over success.

In the field of politics Hayes was looked upon as a reliable party man, a reputation which was justified by his rigid adherence to his party and by his attitude toward the opposition. In both these respects he was the ordinary partisan. Nevertheless he thought out his views with unusual care, made them a matter of conscience and measured policies by ethical standards that were more exacting than the usual politician of the time was accustomed to exercise. The only remark of his that gained wide circulation reflects his type of partisanship: "he serves his party best who serves his country best." In these latter respects—his thoughtfulness, conscientiousness, exacting standards of conduct and less narrowly partisan spirit—he formed a

House. Finally a delicious frozen punch was served at about the middle of the state dinners, known to the thirsty as "the Life-saving Station." It was popularly understood to be liberally strengthened with old Santa Croix rum, but the President later asserted that he had caused the punch to be sharpened with the flavor of Jamaica rum and that no drop of spirits was inserted. What the *chef* really did, perhaps nobody knows. At any rate, both sides were satisfied. Williams, *R. B. Hayes*, II, 312 note.

contrast to the most influential leaders of his party organization. Altogether it seemed likely at the start that Hayes might have friction with the Republican chiefs.

The opening of the administration found public interest centered on the inaugural address and the Cabinet.[1] The inaugural set forth with clearness and dignity the problems which the administration desired to solve: the removal of the barriers between the sections on the basis of the acceptance of the war amendments, southern self-government and the material development of the South; reform in the civil service, thorough, radical and complete; and the resumption of specie payments. To the choice of a cabinet, Hayes devoted much painstaking care. For Secretary of State, he nominated William M. Evarts of New York, an eminent lawyer who had aided Charles Francis Adams in his diplomatic battle with England during the Civil War and later in the Geneva Arbitration, had shown wit and finesse in the defence of Andrew Johnson in the impeachment trial, and had valiantly assisted the Republican cause before the Electoral Commission. In addition, Evarts was a man of the world who knew how to make the most of social occasions and was an orator of reputation. The Secretary of the Treasury was John Sherman of Ohio, who had been for years chairman of the finance committee of the Senate, and was an example of the more statesmanlike type of senator of war and reconstruction times.

The nomination of Carl Schurz, as Secretary of the Interior, and David M. Key, as Postmaster-General, caused an uproar among the party leaders. Schurz

[1] Because March 4 fell on Sunday, the oath of office was privately administered to Hayes on Saturday evening, March 3. Williams, *Hayes*, II, 5.

was a cosmopolitan, a German-American, a scholar, orator, veteran of the Civil War, friend of Lincoln, and independent thinker. His devotion to the cause of civil service reform recommended him to the friendship of the President and to the enmity of the political leaders. The politicians scored Schurz as not a trustworthy Republican—he was independent by nature and had been a leader in the Liberal Republican movement; and they denounced him as an impractical man, whose head was full of transcendental theories—which was a method of saying that he was a civil service reformer. No little excitement was occasioned by the appointment of Key. The President had desired to appoint to the cabinet a southerner of influence, and had thought of Joseph E. Johnston as Secretary of War. The choice of General Johnston would have been an act of great magnanimity, but since General Sherman, to whom Johnston had surrendered only twelve years before, was commander of the army, it would have placed Sherman in the singular position of taking military orders from a former leading "rebel." When Hayes consulted his party associates, however, he found their feelings expressed in the exclamation of one of them: "Great God! Governor, I hope you are not thinking of doing anything of that kind!" He thereupon reluctantly gave way and turned to Key. The latter was less prominent than Johnston, but had been a Confederate leader, was a Democrat and a man of moderate counsels. The remaining members of the cabinet were men of much less moment, but altogether it is clear that few presidents have been surrounded by so able a group of advisers.[1]

Seldom, also, has a president's announcement of his

[1] George W. McCrary was Secretary of War; Richard W. Thompson, Secretary of the Navy; Charles Devens, Attorney-General.

cabinet caused so much dissent among his own supporters. Senator Cameron, of Pennsylvania, had urged a cabinet appointment for his son, and on being refused became hostile to Hayes. Senator Blaine, of Maine, was piqued because Hayes refused to offer a place to a Maine man; the friends of General John A. Logan, of Illinois, were dissatisfied at the failure of Hayes to understand the qualifications of their favorite; Conkling disliked Evarts and besides desired a place for his associate Thomas C. Platt; and the latter considered the nomination of Evarts a "straight-arm" blow at the Republican organization. Departing, therefore, from the custom in such cases, the Senate withheld confirmation of the nominations for several days, during which it became apparent that the rest of the country had received the announcement of the cabinet with favor, and then the opposition disappeared. During the remainder of his presidency, however, Hayes fared badly in making his nominations to office, for fifty-one of them were rejected outright, a larger number than had ever before been disagreed to when the President and the Senate were of the same party. The frequency with which the nominations were rejected and the combative manner in which the contests were carried on by the Senate indicated that it was determined to regain and hold fast the influence in federal counsels that it had relinquished to the executive during the war.

Aside from the nomination of members of the cabinet, the first important executive action that tested the attitude of the Senate toward the President was in relation to the southern problem. By March, 1877, all the former Confederate states except Louisiana and South Carolina had freed themselves from Republican rule by the methods already mentioned, and in these

states the Republicans were kept in power only by the presence of troops. In Louisiana, both Packard, a Republican carpet-bagger, and Nicholls, a Louisiana Democrat, claimed to be the rightful governor. In South Carolina, the Republican contestant was Chamberlain, a native of Massachusetts; the Democrat was Wade Hampton, a typical old-time southerner. Hayes could withdraw the troops, in pursuance of his conciliatory policy, but if he did the Republican governments would certainly collapse because they were unsupported by public opinion. Furthermore, the returning board which had declared Hayes the choice of Louisiana in the presidential election had asserted that the Republican Packard was elected. Blaine, in the Senate, championed the doctrine that Hayes could not forsake the southern Republicans without invalidating his own title. Speaking in a confident and aggressive manner, he held that the honor, faith and credit of the party bound it to uphold the Republican claimants. Nevertheless, the President investigated conditions in both states, satisfied himself that public opinion was back of the Democratic governments and then recalled the troops, hardly more than a month after his inauguration. The Republican governments in the two states promptly gave way to the Democrats, and the storm was on in the Senate.[1]

The Republican politicians believed that no good thing could come from the "rebels," that the President was abandoning the negro, and that he was surrendering the principles for which the party had contended. "Stalwarts," was the name applied by Blaine to these

[1] Chamberlain, the Republican claimant in South Carolina, wrote in 1901 that he was "quite ready now to say that he feels sure that there was no possibility of securing permanent good government in South Carolina through Republican influences." *Atlantic Monthly*, LXXXVII, 482.

uncompromising party men who would not relinquish the grip of the organization on the southern states. Hayes was freely charged with having promised the removal of the military forces in return for the electoral votes of the two states concerned, and some color seemed to be lent to this accusation when he proceeded to reward the Louisiana and Florida returning boards with appointments to office. Even the New York *Times,* which usually supported Hayes with vigor, characterized the Louisiana settlement as "a surrender." William E. Chandler who had assisted Hayes as counsel in the disputed election attacked him in a pamphlet, "Can such Things be and overcome us like a Summer Cloud without our Special Wonder?" Most of the influential leaders in both houses of Congress scarcely disguised their hostility. Indeed the discontent went back into the states where, as in New Hampshire, a contest over the endorsement of Hayes was so bitter that the newspaper reporters had to be excluded from the state convention to prevent public reports of schism in the party. The Democrats could not come to his support since they were unable to forget the election of 1876 even in their satisfaction over the treatment accorded the South. In six weeks the President was without the backing of most of his party leaders. On the other hand, a few men of the type represented by Hoar and Sherman commended the President's policy. Independent publications such as *Harper's Weekly* did likewise, and when the Republican convention of 1880 drew up the party platform the leaders made a virtue of necessity and adopted a plank enthusiastically supporting the Hayes administration.

After he had finished with the southern problem, Hayes confided to his diary, "Now for civil service reform!" And for appointments in general he recorded

several principles: no sweeping changes; recommendations by congressmen to be investigated—not merely accepted; and no relatives of himself or his wife to be appointed, however good their qualifications might be. In the meanwhile Secretary Schurz set to work to put the Department of the Interior on a merit basis. The principles that Hayes set up for himself and the steps that Schurz took were in conformity with the party platform of 1876 and with the President's inaugural address; nevertheless the party leaders were displeased, if not surprised, for platform promises were lightly regarded and inaugural addresses were sometimes not to be taken very seriously.

The earliest acts of Hayes were not such as to facilitate the further progress of reform. The appointment of the members of the Louisiana Returning Board to federal offices gave color to charges that they were receiving their reward for assisting the President into his position. Furthermore, on June 22, 1877, he issued an executive order forbidding any United States officials to take part in the management of political organizations and declaring that political assessments on federal officers would not be allowed. So drastic an order brought amazement to the party leaders, who had not dreamed of anything so radical. Perhaps the order was too sudden and sweeping, considering the practices of the time. At any rate it was not enforced and the President seemed to have set a standard to which he had not the courage to adhere. Nevertheless, reform principles were successfully tested in the New York Post Office by Thomas L. James, a vigorous exponent of the merit system who had been appointed by President Grant and was now re-appointed and upheld by President Hayes.

But the great battle for the new idea came in con-

nection with the New York Custom House. Through the port of New York came two-thirds to three-fourths of the goods which were imported into this country, and the necessity for a businesslike conduct of the custom house seemed obvious. Yet there had for some time been complaints concerning the service, and Sherman appointed commissions, with the approval of the President, to investigate conditions in New York and elsewhere. The commission which studied the situation in New York reported that one-fifth of the persons employed there were superfluous, that inefficiency and neglect of duty were common, and that the positions at the disposal of the collector had for years been used for the reward of party activity. The commission recommended sweeping changes which Secretary Sherman and President Hayes approved. It then appeared that the New York officials were not favorable to the President's reform plans. Furthermore, Chester A. Arthur, the collector of the port, was a close friend of Roscoe Conkling, the head of the state machine; and A. B. Cornell, the naval officer, was chairman of the state and national Republican committees. It was evident that an attempt to change conditions in New York would precipitate a test of strength between the administration and the New York organization.

As Arthur and Cornell would not further the desired reforms and would not resign, the President removed them. When he nominated their successors, however, the Senate, led by Conkling, refused to add its confirmation and there the matter rested for some months. Eventually the President's nominations were confirmed, an outcome which seems to have been brought about in part at least by letters from Secretary Sherman to personal friends in the Senate in which he urgently pressed the case of the administration. The

President's victory emphasized the disagreement of the powerful state organization with the reform idea, and while the reformers rejoiced that the warfare had been carried into the enemy's country, newspaper opinion varied between the view that the President was playing politics and that he was actuated by the highest motives only. Agitation for reform, meanwhile, continued to increase. The literary men among the reformers, aided by scores of lesser lights, conducted a campaign of education; the New York Civil Service Reform Association, founded in 1877, and the National Civil Service Reform League, in 1881, gave evidence of an effort towards the organization of reform sentiment.

While the attention of the President and the politicians was directed toward the reform of the civil service, there occurred an event for which none of them was prepared. Early in the summer of 1877 train hands on the Baltimore and Ohio Railroad struck because of a reduction in wages, the fourth cut that they had suffered in seven years. The strike spread with the speed of a prairie fire over most of the northern roads between New England and the Mississippi. At the height of the controversy at least 100,000 strikers and six or seven thousand miles of railway were involved, while at several points especially Martinsburg, West Virginia, and Pittsburg, rioting and destruction took place. A considerable number of people were killed or wounded, and the loss of property in Pittsburg alone was estimated at five to ten millions of dollars. Eventually, when the state militia failed to check the disorder, the President was called upon for federal troops and these proved effectual. That even so thoughtful and conscientious a man as Hayes was far from understanding the meaning of the strike was indicated in his message to Congress in which he merely

expressed his gratification that the troops had been able to repress the disorder. Repression, that is to say, was the one resource that occurred to the mind of the chief executive and to the majority of the men of his day. That repression alone could not remedy evils permanently, that salutary force ought to be immediately supplemented by a study of the rights and wrongs of the two sides and by a dispassionate correction of abuses,—all this did not even remotely occur to the thoughts of the political leaders of the time.

The breach in the ranks of the Republicans which was made by the events of the early days of the Hayes administration was closed in the face of an attack by the common enemy—the Democrats. The latter, being in control of the House, appointed the "Potter Committee" to investigate the title of Hayes to the Presidency, hoping to discredit him and thereby turn the tables in the election of 1880. The committee examined witnesses and reported, the Democrats asserting that Tilden had been elected and the Republicans that Hayes had been. The Republican Senate, meanwhile, had prepared a counterblast. By legal proceedings a committee had obtained from the Western Union Telegraph Company over thirty thousand of the telegrams sent by both parties during the campaign. The Republicans declared that the "cipher despatches" among these messages showed that the Democrats had offered a substantial bribe for the vote of an Oregon Republican elector. Before the dispatches were returned to the telegraph company, somebody took the precaution to destroy those that concerned Republican campaign methods and to retain those relating to the Democrats. The latter were published by the New York *Tribune* and revealed attempts to bribe the Florida and South Carolina Returning Boards. Most of them had been

sent by Tilden's nephew or received by him, so that the corrupt trail seemed to lead straight to the candidate himself, but the evidence was inconclusive. The Potter Committee then investigated the telegrams, together with a great number of witnesses, and another partisan report resulted. It thus appeared that both pot and kettle were black and there the matter rested. The Democrats had done themselves no good and had done the Republicans no harm.[1]

The Democrats also attacked the election laws, under which federal officials supervised elections, and federal judges and marshals had jurisdiction over cases concerning the suffrage. Under these laws, also, troops could be used to enforce the judgments of the Courts. There is no doubt that intimidation, unfair practices and bribery were all too common in the North as well as in the South. The lack of official ballots and secret voting made abuses inevitable. In New York, Cincinnati and other northern cities, and on a smaller scale in the rural districts, abuses of one sort or another were normal accompaniments of elections. Intimidation in the South was notorious and not denied. The existing election laws gave the dominant party an opportunity to appoint large numbers of deputy-marshals—largely party workers, of course—paying them from the na-

[1] Many of the dispatches were in a complicated cipher which resisted all attempts at solution. The *Tribune* published samples from time to time, keeping interest alive in the hope that somebody might solve the riddle. Finally two members of the *Tribune* staff were successful in discovering the key to the cipher in a way that recalls the paper-covered detective story. The newspaper aroused and excited public interest by publishing specimens and eventually achieved a sensation by putting the most damaging material into print on October 16, 1878. One of the telegrams, with its translation, ran as follows:

"Absolutely Petersburg can procured by Copenhagen may Thomas prompt Edinburgh must if river take be you less London Thames will."

Translation: If Returning Board can be procured absolutely, will you deposit 30,000 dollars? May take less. Must be prompt. Thomas.

tional treasury and so solidifying the party organization. In the election of 1876 about $275,000 had been spent in this way. Some of the federal supervisors had been extremely energetic—so much so that in one case in Louisiana their registration lists showed 8,000 more colored voters in 1876 than were discovered by the census enumerators four years later.

If the Republicans saw involved in the laws both a principle and a party weapon, the Democrats saw both a principle and an opportunity. They attached a "rider" to an army appropriation bill, which made it unlawful to use any part of the army for any other than the purposes expressly authorized by the Constitution or by act of Congress. Since the Constitution allowed the use of troops only to "execute the laws of the Union, to suppress Insurrections and repel Invasions," the new law would prevent the employment of armed forces for civil purposes at the polling places. The President was compelled to yield to save the appropriation bill.

In the next Congress the Democrats controlled both House and Senate and they advanced to the attack on the remainder of the election laws. Attempts were made to prevent the appointment of special deputy-marshals by forbidding the payment of any compensation to them or to the regular marshals when used in elections. Each time that Congress passed such a law the President vetoed it, even though special sessions had to be called to make up for lost time. He saw in the use of the rider a dangerous assertion of coercive power on the part of Congress. By means of it, Congress was withholding funds essential for military and civil purposes until the President should assent to legislation totally unconnected with the appropriations. He felt himself being threatened and driven by a hostile

legislature. For the President to give way before such constraint would be to lose the veto power and to destroy the independence of the executive as a branch of the government. The Democrats were unable to muster force enough to overrule the veto, and here the matter rested while other forces, which have already been described, were sapping the strength of the election laws. On the whole, the result was probably to bring the Republican factions together and so to strengthen the party for the election of 1880. The Democrats, on the other hand, probably lost ground.

In the meanwhile a difficult and technical problem—the monetary question—was forcing itself upon the attention of Congress and of the country. The rapid development of the economic life of the United States was demanding an increased volume of currency with which to perform the multitude of exchanges which constantly take place in the life of an industrial people. Unless the volume of the currency expanded proportionately with the increase of business, or there was a corresponding increase in the use of bank checks, the demand for money would cause its value to go up—that is, prices to go down. If the volume expanded more rapidly than was necessitated by business, the value of money would fall and prices would go up. A change in the price level in either direction, as has been seen, would harm important groups of people. The exact amount, however, by which the volume should be increased was not easy to determine. Furthermore, assuming that both gold and silver should be coined, what amount of each would constitute the most desirable combination? What ought to be the weight of the coins? If paper currency was to supplement the precious metals, what amount of it should be in circulation? These are difficult questions under any circum-

stances. They did not become less so when answered by a bulky and uninformed Congress acting under the influence of definite personal, sectional and property interests.

Several facts tended to restrict the kind of money whose volume could be greatly increased. It was not advisable to expand the greenbacks because legislation had already limited their amount and because such action would unfavorably affect the approaching resumption of specie payments. The quantity of national bank notes, another common form of paper money, was somewhat rigidly determined by the amount of federal bonds outstanding, for the national bank notes were issued upon the federal bonds as security. Moreover, the bonds were being rapidly paid off during the seventies and it was, therefore, impossible to expect any increase of the currency from this source. Normally the supply of gold available for coinage did not vary greatly from year to year and certainly did not respond with exactness to the demand of industry for a greater or smaller volume of circulating medium. It seemed to remain for silver to supply any needed increase.

But silver was not in common use except as a subsidiary coin. For many years the value of the bullion necessary for coining a silver dollar had been greater than the value of the coin. Nobody therefore brought his silver to the mint but sold it instead in the commercial markets. Indeed so insignificant was the amount of silver usually coined into dollars that an act of 1873 systematizing the coinage laws had omitted the silver dollar completely from the list of coins. The omission was later referred to by the friends of silver currency as the "Crime of 1873." At the same time a remarkable coincidence was providing the motive power for the demand that silver be more largely used as cur-

rency. Early in the seventies Germany and the Latin Monetary Union, (France, Switzerland, Belgium, Italy and Greece), had reduced the amount of their silver coinage, thus throwing a large supply of bullion on the market. Simultaneously, enlarged supplies of silver were being found in western United States. A Nevada mine, for example, which had produced six hundred and forty-five thousand dollars' worth of ore in 1873 had turned out nearly twenty-five times that amount two years later. Naturally the market price of silver fell and the mine owners began to seek an outlet for their product. Thus the people who were convinced that the volume of the currency was insufficient for the industrial demands of the nation received a new and powerful reenforcement from the producers of silver ore. There arose what the New York *Tribune* referred to as "The Cloud in the West."

Inevitably the cloud in the West threw its shadow into Congress where the demand was insistent that the government "do something for silver." A commission had been appointed in 1876 to study the currency problem and make recommendations. When the report was made it appeared that the opinions of the members were so divergent that little was gained from the investigation. While the commission was deliberating, Richard P. Bland of Missouri introduced a bill providing for the free and unlimited coinage of silver. Under its provisions the owner of silver bullion could present any quantity of his commodity to the government to be coined under the conditions which controlled the coinage of gold. The House responded readily to Bland's proposal. In the Senate, under the leadership of William B. Allison, the free and unlimited feature of the bill was dropped and a provision adopted limiting the purchase of bullion to an amount not

greater than four million dollars' worth per month and not less than two million dollars' worth. The bullion so obtained was to be coined into silver dollars, which were to be legal tender for all debts public and private. Bland was ready to accept the compromise because he hoped to be able to increase the use of silver by subsequent legislation. "If we cannot do that," he said, "I am in favor of issuing paper money enough to stuff down the bond-holders until they are sick." The remark was typical of the sectional and class hatreds and misunderstandings which this debate aroused, and of the maze of ignorance in which both sides were groping. To the silver faction, their opponents were "mendacious hirelings" and "Gilded Shylocks." God, in His infinite wisdom had imbedded silver in the western mountains for a beneficent purpose. "The country," said one speaker, "is in an agony of business distress and looks for some relief by a gradual increase of the currency." On the other hand, the opponents of silver scorned the "delusion" of a "clipped" coin and the dishonest proposition to make ninety cents' worth of silver pass as a dollar. The "storm-driven, buffeted, and scarred" ship of industrial peace, an easterner declared, "deeply laden with all precious and golden treasure is sighted in the offing! . . . shall we put out the lights? . . . Dare we remove the ship's helm, leaving her crippled and helpless?"

Sherman believed that this limited amount of silver could be taken into the currency system without difficulty, but President Hayes thought that harm would result from making the silver dollar a legal tender when the market value of the bullion in the coin was not equal in value to that of the gold dollar. He therefore vetoed the bill on February 28, 1878. He could

not carry Congress with him, however, and the measure was passed over the veto on the same day.

Party lines had disappeared during the debates over the passage of the act. Eastern members of both houses and of both parties had been opposed, with few exceptions, to the increased use of silver; the westerners had been equally united in its favor. The East, the creditor section and the holder of most of the Civil War bonds, had no desire to try an experiment with the currency which would, in their opinion, reduce the purchasing power of their income. The debtor West looked with disfavor upon an increase in the real amount of their debts which was brought about by an inadequate supply of currency. Since prices continued to decline they believed that the remedy was a greater quantity of money. Evidently the greenback controversy was reviving in a new garb.

The approach of the resumption of specie payments which had been set, it will be remembered, for January 1, 1879, increased the burden under which the westerners and the debtor classes in general were working. Favorable commercial conditions and Sherman's foresight, tact and intelligence made it possible to overcome the various difficulties in the way of accumulating a sufficient reserve of gold, and on December 31, 1878, the Treasury had on hand about $140,000,000 of the precious metal, an amount nearly equal to forty per cent. of the paper in circulation. Despite the desirability of resumption, the first effects of preparations for it were harmful to considerable bodies of people. As January 1 approached, the greenbacks, which had been circulating at a depreciated value, rose nearer and nearer to par. Debts which had been incurred when paper dollars were worth sixty cents in gold, had

to be paid in dollars worth eighty, ninety or a hundred cents, according to the date when the debt fell due. Business men who were heavily in debt and farmers whose property was mortgaged found their burden daily growing in size.

Notwithstanding the steady advance of paper toward par value, Sherman nervously awaited business hours on January 2, 1879, (since the first fell on Sunday) to see whether there would be such a rush of holders of paper who would wish gold that his slender stock would be wiped out. New York, the financial center, was watched with especial anxiety. To Sherman's surprise, only $135,000 of paper was presented for redemption in gold; to his amazement and relief, $400,000 in gold was presented in exchange for paper. Evidently, now that paper and metal were interchangeable, people preferred the lighter and more convenient medium. Favorable business conditions enabled the government to continue specie payments; a huge grain crop in 1879, coupled with crop failures in England, caused unprecedented exports of wheat, corn and other products, and a corresponding importation of gold. The damage resulting from the appreciation of paper was temporary in character; the public credit was vastly benefited; and the greater amount of stability in the value of paper proved invaluable to industry.

Happily Hayes's stormy political relations were balanced by comparative quiet in foreign affairs. Only Mexico caused trouble, and that was of negligible importance. A few raiders made sporadic excursions into Texas, which necessitated an expedition for the punishment of the marauders. General Ord was directed to cross the border if necessary, but General Diaz, at the head of the Mexican government, concluded

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Just before the inauguration of President Hayes a commission of inquiry had visited the coast and examined many witnesses. The commission reported that the resources of the Pacific states had been more rapidly developed with coolie labor than they would otherwise have been, but that the Chinese lived under filthy conditions, formed an inferior foreign element and were, on the whole, undesirable. It recommended that the executive take steps in the direction of a modification of the existing treaty with China, for fear that the problem might spread eastward with increasing immigration. The electioneering possibilities of the subject had appealed to both parties and they had earnestly demanded action in their platforms of 1876. Opinion was forming throughout the country, aided by Bret Harte's famous lines:

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an agreement for cooperation with the United States in the protection of the boundary. The agreement was only partly successful, however, and on several occasions troops crossed the Rio Grande and fought with bandits.

On the Pacific Coast, meanwhile, the Chinese question was becoming a political issue. In earlier times the immigration of the Chinese had been encouraged because of the need of a cheap labor supply when the transcontinental railroads were being built. As the coast filled up, however, with native population, and the demand for laborers fell off, there arose numerous objections to the oriental. It was seen that since he was willing to work for extremely low wages he could drive American laborers out of their places. Labor leaders such as Dennis Kearney held meetings on the "sand lots" in San Francisco and aroused anti-Chinese feeling. Riots and violence, even, were not unknown.

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Which I wish to remark
And my language is plain,
That for ways that are dark
And tricks that are vain,
The heathen Chinee is peculiar
Which the same I would rise to explain.

Action by Congress was hindered by the Burlingame treaty of 1868 with China, which covered the subject of immigration in unmistakable language. By its provisions citizens of China were to have the same rights of travel and residence in America as the subjects of the most favored nation. Reciprocally, China was to grant equal privileges to citizens of the United States. The process of modifying a treaty through the ordinary diplomatic channels was so slow that Congress sought to avoid delay by passing a law forbidding shipmasters to bring in more than fifteen Chinese at one time, and calling upon the President to notify China that the terms of the Burlingame treaty, in so far as they related to immigration, would not hold after July 1, 1879, when the proposed legislation would take effect. President Hayes sympathized with the purpose of the bill but felt obliged to veto it because of the Burlingame treaty. The veto message recalled that the treaty had been of American seeking and that its ratification had been applauded all over the country. The abrogation of part of the agreement would be equivalent to abrogation of the whole, leaving American citizens in China without adequate treaty protection. Furthermore Hayes felt that treaties could not rightfully be violated by legislation, but advocated other measures for the relief of the people of the Pacific Coast. He thereupon sent to China a commission, headed by James B. Angell of Michigan, which succeeded in liberally modifying the existing treaty.

Under the new arrangement the United States might "regulate, limit, or suspend" the immigration of Chinese laborers; and as the treaty was promptly ratified, it redounded somewhat to the credit of the Republicans in the election of 1880.

The administration of Hayes was, on the whole, an admirable one. The problems which he faced were varied and difficult, but most of them were met sensibly and with success. To be sure, he did not grasp the social and economic forces behind the monetary agitation; nor did he have the insight and originality necessary for attacking the problem of industrial unrest as it appeared in the strike of 1877. But neither did his associates, nor his successors in the presidency for many years to come. On the other hand, the ethical standards of the administration were high and the atmosphere of the White House sane and wholesome. The home life of the President was exceptionally attractive, for Mrs. Hayes was a woman of unusual charm and social capacity. The attitude of Hayes on the southern question and on civil service reform was courageous and progressive. And most of all, his ideas on public questions were stated with unmistakable clearness in a day when old issues were sinking into the background and both parties were reluctant to define their position on the new ones.

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CHAPTER VII

THE POLITICS OF THE EARLY EIGHTIES

THE Hayes administration was scarcely half over when the politicians began to look forward to the election of 1880. At the outset of his term, Hayes had advocated a single term for the executive and there was no widespread movement among the politicians to influence him to change his attitude. His enemies, indeed, had already turned to General Grant. There had been a third-term boom for the General during his second administration and he had indicated that he was not formidably opposed to further continuance in office. Suddenly, however, the anti-third-term feeling had risen to impressive proportions, whereupon the House of Representatives had adopted a resolution which characterized any departure from the two-term precedent as "unwise, unpatriotic, and fraught with peril to our free institutions." As the resolution passed by an overwhelming vote—233–18—nothing further was heard of a third-term boom.

The Hayes administration put a different complexion on the matter. The wheel-horses of the party were not enthusiastic over the President or his policies, and in their extremity they looked to Grant. The New York State Republican Convention, under control of Roscoe Conkling and his forces, instructed delegates to support the General as a candidate for the nomination and endeavored to forestall opposition to a third term. It declared that the objection to a third presidential term

applied only to a third consecutive term and hence was inapplicable to the re-election of Grant. Grant, meanwhile, presented a spectacle that was at once humorous and pathetic. He had not expected, on leaving the presidency, to return to power again, had dropped consideration of the political future and had given himself up to the enjoyment of foreign travel. The royal reception accorded him wherever he went suggested to his political supporters that they utilize his popularity. It was foreseen that when he returned to America he would receive a tremendous ovation, on the wave of which he might be carried into office. He was flooded with advice and entreaties that he act in accordance with this plan. His family was eager to return to the position of social eminence which they had occupied, and pressure from them was incessant. At first he did nothing either to aid or to hinder the boom, then gave way to the pressure and at last became extremely anxious to obtain the coveted prize.

If the politicians did, in truth, desire a relaxation from the patronage standards of the Hayes regime, they did not make that the ostensible purpose of their campaign. They argued that the times demanded a strong man; that foreign travel had greatly broadened the General and given him a knowledge of other forms of government; that he had been great as a commander of armies, greater as a President, and that as a citizen of the Republic he "shone with a luster that challenged the admiration of the world." Behind him were Conkling and Platt, with the New York state organization under their control, Don Cameron who held Pennsylvania in his hand, General Logan, strong in Illinois, and lesser leaders who wielded much power in smaller states. Many business men were ready to lend their aid; the powerful Methodist Church, to which he be-

longed, was favorable to him; and, of course, his popularity as a military leader was unbounded. His return to the United States while the enthusiasm was at its height was the signal for an unprecedented ovation. The opponents of a third term painted in high colors the danger of a revival of the scandals of Grant's days in the presidential chair, formed "No Third Term" leagues, called an "Anti-Third-Term" convention and decried the danger of continuing a military man in civil office. *The Nation* scoffed at the educational effect of foreign travel on a man who was fifty-seven years of age and could understand the language in only one of the countries in which he travelled. A large fraction of the Republican press, in fact, was in opposition. "Anything to beat Grant" and "No third term" were their war-cries. Nor was there any lack of Republican candidates to oppose the Grant movement and to give promise of a lively nominating convention. Blaine's popularity was as widespread as ever. Those who feared the nomination of either Grant or Blaine favored Senator George F. Edmunds of Vermont or Secretary Sherman. Both of these men were of statesmanlike proportions, but Edmunds was never widely popular and Sherman was lacking in the arts of the politician—"the human icicle," T. C. Platt called him.

The Republican nominating convention of 1880 met in Chicago in a building described as "one of the most splendid barns" ever built. This convention is unusually worthy of study because it involved most of the elements which entered into American politics in the early eighties. It was long memorable as making a record for that form of enthusiasm which bursts into demonstrations. "Great applause," "loud laughter," "cheers" and "hisses long and furious" dot the newspaper accounts of its deliberations. The members

"acted like so many Bedlamites," one of the delegates said. On one day the opening prayer was so unexpectedly short that there was applause and laughter. The keen contest for the nomination resulted in galleries packed with supporters of the several candidates, who cheered furiously as their favorite delegates appeared. As the galleries came down nearly to the level of the floor, the spectators were almost as much members of the convention as the delegates themselves. It was under such conditions, then, that the convention proceeded to the serious business of adopting principles and choosing a leader.

Three hundred and six of the 757 delegates were sworn supporters of Grant—pledged to die, if they died at all, "with their boots on," one of their leaders said. In each of the big delegations—those from New York, Pennsylvania and Illinois—a minority was unfavorable to Grant. This minority could be counted in the General's column if the convention could be forced to adopt the so-called "unit-rule," under which the delegation from a state casts all its votes for the candidate favored by the majority. In this particular case, the minorities in New York, Pennsylvania and Illinois numbered more than sixty delegates, so that the adoption of the rule was a stake worth playing for. The plan formulated by the Grant leaders was worthy of the time.

Donald Cameron of Pennsylvania was chairman of the National Republican Committee. Following the usual custom, Cameron was to call the convention to order and present the temporary chairman who had been chosen by the Committee. As the Grant supporters were in a minority even on the Committee, provision was made to meet the emergency in case the majority insisted on the appointment of an anti-Grant

chairman. Cameron was to announce the name, a Grant delegate was to move to substitute a Grant man instead, and Cameron would enforce the unit-rule in the resulting ballot. This would ensure control of the organization of the convention and, doubtless, of the nomination of the candidate.

Unhappily for this well-laid plan, rumor of it leaked out, and the majority of the National Committee—opposed to Grant—conveyed information to Cameron that he must agree to give up such a scheme or be ousted from his position. Cameron, convinced that his enemies were determined, gave up his project, and Senator George F. Hoar, who favored neither Grant nor Blaine, was made temporary and later permanent chairman.

Although defeated in the first skirmish, the Grant forces pressed forward for renewed conflict. Conkling presented a resolution that every member of the convention be bound in honor to support the eventual candidate, whoever he might be. The resolution passed 716 to three; and he then moved that the three who had voted in the negative had thereby forfeited their votes in the convention. James A. Garfield of Ohio led the opposition to such rough-shod action and Conkling angrily withdrew his resolution amid hisses. When Garfield reported from the Committee on Rules in regard to the regulations under which the convention should deliberate, he moved that the unit rule be not adopted and the convention upheld him. It was manifest that the delegates were not in a mood to surrender to a junto of powerful machine politicians.

The way having been now cleared for action, the convention adopted a platform. This was composed largely of a summary of the achievements of the party and denunciation of the opposition. Most of the

planks were abstract or perfunctory, or expressed in such a way as not to commit the party seriously. *Harper's Weekly,* a Republican periodical, regretted the character of the platform and remarked that such documents are expected to say

> An undisputed thing
> In such a solemn way.

Judged by this criterion, the platform was ideal. The obligations of the country to the veterans were emphasized and the restriction of Chinese immigration called for. On the tariff, the only utterance was an avowal that duties levied for the purposes of revenue should discriminate in favor of labor. After this declaration of faith had been unanimously adopted, a Massachusetts delegate presented an additional plank advocating civil service reform.

The convention was now badly put to it. To reject a plank which had been accepted both in 1872 and in 1876 would discredit the party, particularly as the platform just adopted had accused the opposition of sacrificing patriotism "to a supreme and insatiable lust for office." Nevertheless the opposition to its adoption was formidable, and it had already been twice rejected in the Committee on Resolutions, which drew up the platform. There seemed no way of avoiding the issue, however, and the plank was thereupon adopted, though not before Webster Flanagan of Texas had blurted out, "After we have won the race, . . . we will give those who are entitled to positions office. What are we up here for?"

With the speeches presenting candidates to the convention, the real business of the week began. Senator Conkling aroused a tempest of enthusiasm for General Grant in a famous speech which began with the lines,

When asked what state he hails from,
Our sole reply shall be,
He comes from Appomattox
And its famous apple tree.

Garfield presented Sherman's name. At the outset General Grant led, Blaine was a close second and Sherman third. This order continued for thirty-five ballots. By that time Blaine and Grant had fought each other to a standstill. The General's three hundred and six held together without a break, and Blaine's forces were equally determined.[1] There was little chance of compromise, as Grant and Blaine were not on speaking terms, and Conkling and Blaine looked upon each other with unconcealed hatred. Since Sherman was handicapped by lack of united support in his own state, the natural solution of the problem seemed to be the choice of some other leader who might harmonize the contending factions. On the thirty-fourth ballot, seventeen votes were given to Garfield; on the next, fifty; then a stampede began, in spite of a protest by Garfield, and on the thirty-sixth ballot a union of the Blaine and Sherman forces made him the choice of the convention. The nominee for the vice-presidency was Chester A. Arthur, who was one of the leading supporters of Grant and a member of the Conkling group.

The choice of Garfield was well received by the country, perhaps the more so as a relief from the danger of a third term. The nominee was a man of great industry, possessed of a store of information, tactful, modest, popular, an effective orator, and a veteran of the war. His rise from canal boy to candidate for the presidency exemplified the possibilities before industrious youth and gave rise to many a homily on demo-

[1] For Platt's account of the annual reunion and banquet of the three hundred and six—"The Old Guard"—see *Autobiography*, 115.

cratic America. Yet his friends had to defend his relation to a paving scandal in the District of Columbia and an unwise connection with the Credit Mobilier of 1873. In neither of these cases does Garfield seem to have been corrupt, but in neither does he appear in a highly favorable light.[1]

As the Republicans were dispersing, the Greenback convention was assembling. Their strength in the campaign was almost negligible but their platform presaged the future. Money to be issued only by the government, the volume of money increased, ameliorative labor legislation, restriction of Chinese immigration, regulation of interstate commerce, an income tax, government for the people rather than for classes, wider suffrage,—all these were advocated in concise and unmistakable terms. James B. Weaver was the presidential candidate.

Among the Democrats, the all important question was whether Tilden would be a candidate again. He naturally wished for a renomination and an opportunity to prove by an election that he had been "fraudulently" deprived of the presidency in 1876. The party, likewise, seemed to need his services, as no other leader of equal prominence had appeared. On the other hand, his health had rapidly failed since 1876 and it was apparent that he was unequal to the exacting labors of the presidency. Not until just before the meeting of the convention, however, did he make known his wishes and then he declared that he desired nothing so much as an honorable discharge from public serv-

[1] Garfield's early career as a canal boy led to such campaign songs as the following:

He early learned to paddle well his own forlorn canoe,
Upon Ohio's grand canal he held the hellum true.
And now the people shout to him: "Lo! 't is for you we wait.
We want to see Jim Garfield guide our glorious ship of state."

ice and that he "renounced" the renomination. The party took him at his word and turned to the adoption of a platform and the choice of another leader.

The platform reflected the bitterness of the party over the "great fraud" of 1876–1877 and advocated tariff for revenue only, civil service reform and the restriction of Chinese immigration. In other words, except for the usual self-congratulation and the denunciation of the opposition, the Democratic platform closely resembled that of the Republicans. The convention then nominated for the presidency General Winfield S. Hancock, a modest, brave Union soldier, of whom Grant once said, "his name was never mentioned as having committed in battle a blunder for which he was responsible." He was not an experienced politician, but was popular even in the South.

On the whole the Democratic convention was much less interesting than its Republican predecessor. There were no fierce factional quarrels to arouse the emotions to concert pitch. The applause spurted out here and there like the "jets from a splitting hose" in the "Ki yi yi yi" which characterized the cheers of the lower wards of New York, in contrast to the rolling billows of applause which formed so memorable an element in the opposition gathering. The New York *Tribune,* although hostile to everything Democratic, perhaps stated the fact when it commented on the lack of enthusiasm. The convention, the *Tribune* noted, was well-behaved, but a mob without leaders; there were no Conklings or Garfields or Logans, only John Kelleys and Wade Hamptons.

The campaign of 1880 reflected the lack of definite utterances in the party platforms. Since each side was loath to press forward to the solution of any real problem facing the nation, the campaign was confined,

for the most part, to petty or even corrupt partisanship. The career of General Garfield was carefully overhauled for evidences of scandal. Arthur's failings as a public officer were duly paraded. General Hancock was ridiculed as "a good man weighing two hundred and forty pounds." Some attempt was made by the Republicans to make an issue of the tariff, and a remark of Hancock to the effect that the tariff was a "local issue" was jeered at as proving an ignorance of public questions. There was little response to the "bloody shirt" and little interest in "the great fraud." A modicum of enthusiasm was injected into the canvass by the participation of Conkling and General Grant. The former was not happily disposed toward the Republican candidate and Grant had always refused to make campaign speeches, but as the autumn came on and defeat seemed imminent, these two leaders were prevailed upon to lend their assistance. Near the end of the campaign a letter was circulated in the Pacific states, purporting to have been written by Garfield to a Mr. Morey, and expressing opposition to the restriction of Chinese immigration. The signature was a forgery, but complete exposure in the short time before election day was impossible and the letter perhaps injured Garfield on the coast. Nevertheless Garfield and Arthur won, although their popular plurality was only 9,500 in a total of about nine millions. The electoral vote was 214 to 155 and showed that the division among the states was sectional, for in the North Hancock carried only New Jersey, together with Nevada and five electoral votes in California, the result probably of the Morey letter.

Two aspects of the campaign had especial significance. The attempt by Conkling and his associates to choose the Republican nominee through the shrewd

manipulation of political machinery, and against the wishes of the rank and file of the party, was a move on the part of the greater state bosses to get control of the national organization, so that they might manage it as they managed their local committees and conventions. The second notable circumstance concerned the collection and expenditure of the campaign funds.

Even before the convention met, the Republican Congressional Committee, pursuing the common practice of the time, addressed a letter to all federal employees, except heads of departments, in which the suggestion was made that the office holders would doubtless consider it a "privilege and a pleasure" to contribute to the campaign funds an amount equal to two per cent. of their salaries. The Republican National Committee also made its demands on office holders—usually five per cent. of a year's salary. The Democrats, having no hold on the federal offices, had to content themselves with the cultivation of the possibilities in states which they controlled. In New York, Senator Platt was chairman of the executive committee and he sent a similar communication to federal employees in the state. Even the office boy in a rural post office was not overlooked, and when contributions were not forthcoming, the names of delinquents were sent to their superiors. Other developments appeared after the election was over. In February, 1881, a dinner was given in honor of Senator S. W. Dorsey, secretary of the Republican National Committee, to whom credit was given for carrying the state of Indiana. General Grant presided and grace was asked by Reverend Henry Ward Beecher. Dorsey was an Arkansas carpet-bagger, who had been connected with a railroad swindle and was soon, as it turned out, to be indicted for complication in other frauds. The sub-

stance of the speeches was that the prospect of success in the campaign seemed waning, that Indiana was essential to success and that Dorsey was the agent who accomplished the task. Arthur, who was one of the speakers, explained the *modus operandi:* "Indiana was really, I suppose, a Democratic State. It had been put down on the books always as a State that might be carried by close and perfect organization and a great deal of—(laughter). I see the reporters are present, therefore I will simply say that everybody showed a great deal of interest in the occasion and distributed tracts and political documents all through the State."

With the victory accomplished, the politicians turned from the contest with the common enemy to the question of the division of the spoils; from the ostensible issue of platforms, to the real issue that Flanagan had personified. Although the Republicans had presented a united front to their opponents, there were factional troubles within the party that all but dwarfed the larger contest. The "Stalwarts" were composed of the thorough "organization men" like Conkling, Platt and Arthur; the "Half-breeds" were anti-organization men and more sympathetic with the administration. The commander of the Stalwarts and one of the most influential leaders in the country was Roscoe Conkling, Senator from New York. In person Conkling was a tall, handsome, imperious man, with something of the theatrical in his appearance and manner. As a politician he was aggressive, fearless, scornful, shrewd and adroit when he chose to be, and masterful, always. As an orator he knew how to play on the feelings of the crowd; his vocabulary, when he turned upon one whom he disliked, was memorable for its wealth of invective and ridicule, and especially he

uncorked the vials of his wrath on any who were not strictly organization men. Although an able man and a successful lawyer, Conkling seems to have had less interest in the public welfare than in conventions, elections and patronage.

The announcement of Garfield's choice of a Cabinet was the signal for a fierce patronage fight. James G. Blaine, the choice for Secretary of State, was distasteful in the extreme to Conkling. Many years before, during a debate in the House, Blaine had compared Conkling to Henry Winter Davis as

> Hyperion to a satyr, Thersites to Hercules, mud to marble, dunghill to diamond, a singed cat to a Bengal tiger, a whining puppy to a roaring lion.

He had contemptuously referred to Conkling's "haughty disdain, his grandiloquent swell, his majestic, supereminent, overpowering, turkey-gobbler strut." Accordingly when Garfield disregarded Conkling's wishes in regard to the representation which New York should have in the cabinet, Conkling laid the blame upon his old enemy.[1]

As soon as the administration was in office, the Senate met in executive session to act on appointments, and it appeared that the parties were evenly divided, the balance of power lying in the hands of two Independents. President Garfield sent in his list of nominees for office without consulting Conkling in regard to New York appointments. Among them was William H. Robertson for the coveted position of collector for the port of New York. As Robertson had

[1] William Windom, of Minn., was Secretary of the Treasury; R. T. Lincoln, of Ill., Secretary of War; Wayne MacVeagh, of Pa., Attorney-General; T. L. James, of N. Y., Postmaster-General; W. H. Hunt, of La., Secretary of the Navy; S. J. Kirkwood, of Ia., Secretary of the Interior.

been opposed to Grant and to the unit rule in the Republican convention, Conkling's rage reached a fever pitch. In an attempt to discredit the President before the country, he made public a letter from Garfield giving countenance to the practice of levying campaign assessments on federal employees. Conkling's point of view is not difficult to understand. Consultation with the senators from a state with regard to nominations to offices within its boundaries was the common custom; Conkling had sunk his dislike of Garfield during the campaign in order to assist in a party victory; moreover, he and Platt, the other New York senator, understood that Garfield had agreed to dispense New York patronage in conformity to the wishes of the Stalwarts, in case Conkling took the stump. He had carried out his part of the bargain and now desired his *quid pro quo*.

Meanwhile the Senate was trying to organize and having failed because of the even division of the parties, stopped the attempt long enough to act on the nominations. The President then withdrew all except that of Robertson, thus indicating that offices in which other senators were concerned would not be filled until the New York case was settled. Foreseeing that the members would wish to clear the way for their own interests and that Robertson's nomination was likely to be agreed to, Conkling and Platt resigned their posts and appealed to the New York legislature for a reelection as a vindication of the stand they had taken. As the legislature was Republican and as Vice-President Arthur went to Albany to urge their case, they seemed likely to succeed; but to their mortification they were both defeated after an extended contest, and Conkling retired permanently to private life. Platt, who was promptly dubbed "Me Too," also relin-

quished public office, but only for a time. In the meanwhile, as soon as Conkling and Platt had left the Senate, the nomination of Robertson had been approved, and Garfield was triumphant.

Further light was thrown upon political conditions by the investigations of the "star routes." These were routes in the South and West where mails had to be carried by stage lines, and were under the control of the Second Assistant Postmaster-General, Thomas J. Brady. Rumors had been common for some years that they were a source of corruption. Garfield's Postmaster-General, Thomas L. James, had already made a reputation as the reform postmaster of New York, and and he set himself to investigate the reports. Among other things it was discovered that a combination of public men and contractors had succeeded in raising the compensation on 134 star routes from $143,169 to $622,808, dividing the extra profits among themselves. Brady and Senator Dorsey, the active agent in the campaign in Indiana, were accused of being in the "ring" and were indicted on the ground of conspiracy to defraud the government. Brady attempted to block the investigation by threatening Garfield with an exposure of the campaign methods, and when the threat failed he made public a letter from the President to "My dear Hubbell," chairman of the Congressional Committee, similar to that which Conkling had earlier published. The trials of the conspirators dragged on until 1883 and resulted in the acquittal of all the accused except one of the least important. Yet some good was accomplished, for the ring was broken up. Dorsey retired from public life, and renewed attention was drawn to the need of better federal officials.

During the course of the trials, the country was shocked by the assassination of the President on July

2, 1881, at the hands of a disappointed office seeker named Guiteau. Despite a strong constitution Garfield grew slowly weaker and died on September 19. The catastrophe affected the country the more profoundly because of its connection with the factional quarrel in the Republican party and because, following the recent murder of the Russian Czar, it seemed to show that democratic government was no guarantee against violence.[1]

The consternation with which the elevation of Chester A. Arthur to the presidency was received was not confined to the Democrats. An oft-repeated remark made at the time was expressive of the opinion of those best acquainted with the new executive: "'Chet' Arthur President of the United States! Good God!" In truth Arthur's previous career hardly justified anything except consternation. He had been identified always with machine politics and particularly with the Conkling group; he had been a prominent figure in the opposition to Hayes when the latter attempted to improve conditions in the New York Customs House; and had taken an active and undignified share in the quarrel between Garfield and Conkling. Chester A. Arthur, however, was a combination of characteristics such as enlist the interest of the student of human nature. Of Vermont birth, educated at Union College where he had taken high rank, he had taught school

[1] The death of the President emphasized the need of a presidential succession law. Under an act of 1792, the president and vice-president were succeeded by the president of the Senate and the speaker of the House. When Garfield died, the Senate had not yet elected a presiding officer and the House had not met. The death of Arthur would have left the country without a legal head. The Presidential Succession Act of 1886 remedied the fault by providing for the succession of the cabinet in order, beginning with the Secretary of State. The presiding officers of the Senate and House were omitted, because they might not be of the dominant party.

for a time, had entered the practice of law in New York, had made a good war record, and had been a member of the Republican party from its beginning. In many ways Arthur was made for politics. He was the "man of the world" in appearance, polished, refined, well-groomed, scrupulously careful about his attire, a *bon-vivant*. Yet he was equally at home in the atmosphere of politics in the early eighties; a leader of the "Johnnies" and "Jakes," the "Barneys" and "Mikes" of New York City. Dignity characterized him, whether in the "knock-down" and "drag-out" caucus or at an exclusive White House reception. He possessed a refinement, especially in his home life, that is not usually associated with ward politics but which forms an element of the "gentleman" in the best sense of that abused word.

Yet they who feared that President Arthur would be like Chester A. Arthur, the collector of the port, were treated to a revelation. The suddenness with which the elevation to the responsibility of the executive's position broadened the view of the President proved that he possessed qualities which had been merely hidden in the pursuit of ordinary partisan politics. Platt, expectant of the dismissal of Robertson, now that a Stalwart was in power, fell back in disgust and disowned his former associate, for it appeared that Arthur intended to further the principles of reform. His first annual message to Congress contained a sane discussion of the civil service and the needed remedies, which committed him whole-heartedly to the competitive system. Although he did not go as far as some reformers would have had him, he went so much farther than was expected that commendation was enthusiastic, even on the part of the most prominent leaders in the reform element. In the same message

he urged the repeal of the Bland-Allison silver-coinage act, the reduction of the internal revenue, revision of the tariff, a better navy, post-office savings banks, and enlightened Indian legislation. Altogether it was clear that he had laid aside much of the partisan in succeeding to his high office.[1]

The Chinese problem soon provided him with an opportunity to show an independence of judgment, together with an indifference to mere popularity, which were in keeping with the new Arthur, but which were a surprise to his former associates. As a result of the changes in the Burlingame treaty, which gave the United States authority to suspend the immigration of Chinese laborers, Congress passed a bill in 1882 to prohibit the incoming of laborers for twenty years, western Republicans joining with the Democrats in its passage.[2] Arthur vetoed the measure on the ground that a stoppage for so great a period as twenty years violated those provisions of the treaty which allowed us merely to suspend immigration, not to prohibit it. An attempt to overcome the veto failed for lack of the necessary two-thirds majority. Congress did, however, pass legislation suspending the immigration of laborers for ten years, and this bill the President signed. Later acts have merely extended this law or made it more effective.

Arthur also exercised the veto upon a rivers and harbors bill. It had, of course, long been the custom for the federal government to aid in the improvement of the harbors and internal water-ways of the coun-

[1] The cabinet was composed of F. T. Frelinghuysen, N. J., Secretary of State; C. J. Folger, N. Y., Secretary of the Treasury; R. T. Lincoln, Ill., Secretary of War; B. H. Brewster, Pa., Attorney-General; T. O. Howe, Wis., Postmaster-General; W. E. Chandler, N. H., Secretary of the Navy; H. M. Teller, Colo., Secretary of the Interior.

[2] Above, p. 145.

try. But the modest sums of *ante-bellum* days grew rapidly after the war, stimulated by immense federal revenues, until the suggested legislation of 1882 appropriated nearly nineteen million dollars. It provided not merely for the dredging of great rivers like the Mississippi and Ohio, but also for the Lamprey River in New Hampshire, the Waccemaw in North Carolina, together with Goose Rapids and Cheesequake Creek. Some of these, the opposition declared, might better be paved than dredged.[1] It might seem that a bill against which such obvious objections could be raised would be doomed to failure. But the argument of Ransom of North Carolina, who had charge of the bill in its later stages in the Senate, seems to have been a decisive one. Somebody had objected that the members of the committee had cared for the interests of their own states, merely. Ransom repelled the charge. He showed that the New England states had been looked out for; "Look next to New York, that great, grand, magnificent State . . . that empire in itself . . . Go to Delaware, little, glorious Delaware." The committee had retained $20,000 for Delaware. "Go next . . . to great, grand old Virginia." Virginia had received something. "Go to Missouri, the young, beautiful, growing, powerful State of my friend over the way." And so on—all had been treated with thoughtful care. Ransom was wise in his day and generation. Although Arthur objected to the bill on the grounds of extravagance and of the official demoralization which accompanied it, nevertheless Republicans and Democrats alike joined in passing over the veto an act which would get money into their home states.

[1] Some thoroughly unselfish members of Congress like Senator Hoar, however, believed the bill a justifiable one and voted for it. See Hoar, *Autobiography*, II, chapter VIII.

The congressional elections in the fall of 1882 indicated that the factional disputes among the Republicans, and their failure to reform conditions in the civil service had presented the opposition with an opportunity. In the House of Representatives, Republican control was replaced by a Democratic majority of sixty-nine; the state legislatures chosen were Democratic in such numbers as to make sure the even division of the Senate when new members were elected; in Pennsylvania, a Democratic reformer, Robert E. Pattison, was elected governor, and in New York another, Grover Cleveland, was successful by the unprecedented majority of 190,000.

The results of the campaign added interest to a civil service reform bill which had been drafted by some reformers led by Dorman B. Eaton, and which had been presented to the Senate by George F. Pendleton, of Ohio. The debate elicited several points of view. Pendleton set forth the evils of the existing system of appointments, and emphasized the superior advantages of appointment after competitive examination. The Democrats were in distress. Although Pendleton was himself a Democrat and the party platforms had been advocating reform, nevertheless the election of 1884 was not far ahead, Democratic success seemed likely, and the party leaders desired an unrestrained opportunity to fill the offices with their followers. Senator Williams expressed a conviction that the Republican party was a party of corruption and continued:

> The only way to reform is to put a good honest Democratic president in in 1884; then turn on the hose and give him a good hickory broom and tell him to sweep the dirt away.

The Republicans, on their side, were fearful of the

same clean sweep that Williams hoped for, and they therefore looked with greater equanimity upon a bill which might retain in office the existing office-holders, most of whom belonged to their party. This aspect of the situation was not lost upon such Democrats as Senator Brown who moved that the measure be entitled "a bill to perpetuate in office the Republicans who now hold the patronage of the government." In the Senate only five members voted against its passage, but thirty-three absented themselves; and in the House forty-seven opposed, while eighty-seven were absent. A little study of the debate makes it clear that the passage of the act was due to conviction in favor of reform on the part of a few and to fear of public opinion on the part of many others. Undoubtedly many of the absentees were members who would not vote for the measure and were fearful of the results of voting against it. The President signed the bill January 16, 1883.

The Pendleton act left large discretion in the hands of the President. It authorized the appointment of a commission of three who should prepare and put into effect suitable rules for carrying out the law. The act also provided that government offices should be arranged in classes and that entrance to any class should be obtained by competitive examination; that no person should be removed from the service for refusing to contribute to political funds; and that examinations should be held in one or more places in each state and territory where candidates appeared. The system was to be inaugurated in customs districts and post offices where the number of employees was as many as fifty, but could be extended later under direction of the President. The soliciting or receiving of contributions by federal officials of all grades, for po-

litical purposes, was forbidden. With the exceptions just mentioned, officers could be removed from office as before, but the purpose of removal was now gone. Since the appointee to the vacancy must be the successful competitor in an examination, the chief who removed an officer could not replace him with a personal friend or party worker.

The first commission was headed by Dorman B. Eaton. The work of grading officials and placing them within the protection of the law began at once, and by the close of President Arthur's term nearly 16,000 were classified. Fortunately, the work of the commission was carried on sensibly and slowly, and no backward steps had to be taken.

The attitude of Congress toward tariff revision illustrates many of the characteristics of congressional action during the early eighties. In his first message to Congress, Arthur said that the surplus for the year was $100,000,000, and therefore urged the reduction of the internal revenue taxes and the revision of the tariff. In May, 1882, Congress authorized a tariff commission to investigate and report, and in conformity with the law Arthur appointed its nine members. All of them were protectionists and the chairman, John L. Hayes, was secretary of the Wool Manufacturers' Association. After holding hearings in more than a score of cities and examining some hundreds of witnesses, the commission recommended reductions varying from nothing in some cases to forty or fifty per cent. in others. The average reduction was twenty to twenty-five per cent.

Using the report as a foundation, the Senate drew up a tariff measure, added it to a House bill which provided for a reduction of the internal revenues, and passed the combination. Meanwhile, lobbyists poured

into Washington to guard the interests of the producers of lumber, pig-iron, sugar and other materials upon which the tariff might be reduced. When the Senate bill reached the House it contained lower duties than the protectionist members desired. The latter, although in possession of the organization of the House, were not strong enough to restore higher rates, but under the shrewd management of Thomas B. Reed, one of their number, they were able to refer the bill to a conference committee of the two houses which contained seven strong protectionists out of ten members. Reed admitted that the proceedings were "unusual in their nature and very forcible in their character" but he felt that a change in the tariff had been promised and that the only way to bring it about in the face of Democratic opposition was to settle the details "in the quiet of a conference committee." A "great emergency" having arisen, he would take extraordinary measures. The bill produced under these circumstances reduced the internal revenue taxes, lowered some of the tariff duties and raised others, but left the general level at the point where it had been at the close of the war. *The Nation,* favorable to reform, scornfully characterized the act as "taking a shaving off the duty on iron wire, and adding it to the duty on glue!" Senator Sherman, a protectionist member of the conference committee, wrote an account of the whole procedure many years afterward. After commending the spirit and proposals of the tariff commission and mentioning the successful efforts of many persons to have their individual interests looked out for, he expressed a regret that he did not defeat the bill, as he could have done in view of the evenly balanced party situation in the Senate at that time.

BIBLIOGRAPHICAL NOTE

The election of 1880 is well treated by Sparks, Stanwood, Andrews, and Rhodes. Senator G. F. Hoar, the chairman of the Republican nominating convention, has a valuable chapter in his *Autobiography of Seventy Years.* Such newspapers as the New York *Times* and *Tribune* are invaluable for a discussion of the conventions.

The events of the administration, such as the tariff debates, the passage of the civil service law and others are discussed in the special works mentioned in Chapter V. Consult also: Edward Stanwood, *J. G. Blaine;* T. C. Platt, *Autobiography;* and A. R. Conkling, *Life and Letters of Roscoe Conkling.* The *Annual Cyclopaedia* contains several excellent articles on the tariff (1882, 1883), civil service reform (1883), star route trials (1882, 1883). H. C. Thomas, *The Return of the Democratic Party to Power in 1884* (1919), contains useful chapters on Garfield and Arthur.

CHAPTER VIII

THE OVERTURN OF 1884

THE election of 1880 was memorable only for the type of politics with which that contest was so inextricably involved. The party leaders were second-rate men; the platforms, except for that of the Greenback party, were as lacking in definiteness as the most timid office-seeker could desire; in brief, it was a cross-section of American professional politics at its worst. The election of 1884 was a distinct, although not a complete contrast. It was not a campaign of platforms, but like the election of 1824 it was a battle of men. Two genuine leaders, each representing a distinct type of politics, contended for an opportunity to try out a philosophy of government in the executive chair. In 1880 the conventions were the chief interest—the campaign was dull. The campaign of 1884, on the other hand, was one of the most remarkable in our history.

It will be remembered that the year 1882 had been characterized by political upheavals. In Pennsylvania the Greenbackers had demanded that currency be issued only by the central government—not by the national banks—and that measures be taken to curb monopolies; the independent Republicans had revolted against Cameron, and demanded civil service reform and the overthrow of bossism; and the Democrats had elected a governor of the reformer type, Robert E. Pattison. Massachusetts Republicans had gasped the day after the election to find that "Ben" Butler, who

bore a questionable reputation as a politician, as a soldier and as a man, had been elected by a combination of Greenbackers and Democrats on a reform program. In New York the Democrats had taken advantage of a factional quarrel among their opponents to elect as governor a man who had achieved a reputation as a reformer—Grover Cleveland. That some of the states which had been Democratic in 1882, had become Republican again in 1883 illustrates the unstable character of the politics of the time.

The beginning of the convention season of 1884 gave hint of the vigorous campaign ahead. An Anti-Monopoly party nominated Benjamin F. Butler, who was also supported by the Greenbackers. The Prohibitionists presented a ticket headed by John P. St. John. The action of the Republican convention, which met at Chicago on June 3, proved to be the turning point in the campaign. President Arthur was frankly a candidate for another term, but he did not have the united support of the professional politicians and was distrusted by most of the reform element. Nor had his veto of the Chinese immigration bill and the rivers and harbors act tended to increase his popularity. Most enthusiastic, confident and vociferous were the supporters of James G. Blaine, of Maine. The independent element hoped to nominate Senator Edmunds, of Vermont, and was particularly disturbed at the character of the workers for the "Man from Maine." His campaign manager, Stephen B. Elkins, had been charged with a discreditable connection with the star-route scandals; men of the Platt type were urging that it was now Blaine's "turn"; and Powell Clayton, an Arkansas carpet-bagger of ill-repute, was the Blaine candidate for the position of temporary chairman of the convention.

Before a candidate was chosen the delegates turned to the adoption of the platform. This was of the usual type but was an advance over that of 1880 in several respects. It committed the party to a protective tariff and advocated an interstate commerce law and the extension of civil service reform.

The balloting for candidates proved that Blaine was clearly the choice of the convention. The mere mention of his name threw the delegates into storms of applause and even on the first ballot he received votes from every state in the union save five. On the fourth ballot he received an overwhelming majority and became the nominee. John A. Logan of Illinois, a prominent politician and soldier, was nominated for the Vice-Presidency—a tail to the ticket, in the opinion of the Democrats, which was designed to "Wag Invitation to the Soldier Vote." The choice of Blaine was variously received by the different factions in the convention. The Pacific coast delegates, in a special train, went from Chicago to Augusta, Maine, before starting for home, in order personally to pledge their support to the candidate. On the other hand, Theodore Roosevelt disgustedly remarked that he was going to a cattle-ranch in the West to stay he knew not how long. George William Curtis sadly declared that he had been present at the birth of the Republican party and feared that he was to be a witness of its death. Other reformers were no less disaffected.

The outspoken Republican opposition to Blaine gave infinite aid and comfort to the Democrats whose convention, coming a month later, could take advantage of the growing schism in the opposition. During the interval between the two conventions the growing sentiment in favor of the nomination of Grover Cleveland received the additional impetus of independent Repub-

lican support. The Democratic party was still an object of suspicion to them, but they were ready to run the risks of even a Democratic administration, if a leader of proved integrity should be nominated, and Cleveland seemed to them to meet the demands of the times. The first work of the convention, which met in Chicago on July 8, was the adoption of a reform platform. Characterizing the opposition party as a "reminiscence," it condemned Republican misrule, and promised reform; it proposed a revision of the tariff that would be fair to all interests, and reductions which would promote industry, do no harm to labor and raise sufficient revenue; and it briefly advocated "honest" civil service reform.

The enthusiasm which the independent Republicans were manifesting for Cleveland was balanced by the hostility of elements within his party. As Governor he had exercised his veto power with complete disregard for the effect on his own political future. He had, for example, vetoed a popular measure reducing fares on the New York City elevated railroad, basing his objections on the ground that the bill violated the provisions of the fundamental railroad law of the state. He was opposed by Tammany Hall, led by John Kelley, who declared that the labor element disliked him. Kelley's reputation, however, was such that his hostility seemed like a compliment and gave force to General Bragg's assertion, in seconding the nomination of Cleveland, that his friends "love him most for the enemies he has made." The first ballot proved that the Governor was stronger than his competitors, Senator Bayard, Allen G. Thurman, Samuel J. Randall and several men of lesser importance, and on the second ballot he received the nomination.

The choice of Cleveland gave the independent move-

ment more than the expected impetus. The New York *Times* at once crossed the line into the Cleveland camp and *Harper's Weekly,* long a supporter of the Republicans, the Boston *Herald,* Springfield *Republican,* New York *Evening Post, The Nation,* the Chicago *Times* and a host of less important ones followed. A conference of Independents in New York City, which was composed of five hundred delegates and which enlisted the support of such men as Carl Schurz, George William Curtis, Henry C. Lea, Charles J. Bonaparte, Moorfield Storey and President Seelye of Amherst College, gave striking evidence of the revolt which Blaine's nomination had aroused. Curtis said in the conference, that the chief issue of the campaign was moral rather than political. The New York *Times* declared that the issue was a personal one. Some of the better element, however, like Senator Hoar, earnestly urged the election of Blaine, while Senator Edmunds refused either to aid or oppose his party. Others, like Roosevelt, were unable to give ungrudging support, but felt that reform would be better promoted by working within the party than by withdrawing. It is obvious that Blaine and Cleveland, not the platforms of the parties, had become the issue of the campaign.

James G. Blaine was born in Pennsylvania in 1830, was educated at Washington College in his native state, later moved to Augusta, Maine, and purchased an interest in the Kennebec *Journal.* On assuming his journalistic duties he familiarized himself with the politics of the state and became powerful in local, and later in federal affairs. He was a member of the first Republican convention and was chairman of the state Republican committee for more than twenty years, from which point of vantage he had a prevailing influence in Maine politics. He served in the state and federal legisla-

tures as well as in Garfield's cabinet and was a prominent candidate for the presidential nomination in 1876 and in 1880.

Grover Cleveland, although only seven years younger than Blaine, was relatively inexperienced on the stage of national affairs. He was born in New Jersey, the son of a Presbyterian minister, grew up with little education, was salesman in a village store and later clerk in a law office, at the age of eighteen. Although he had been sheriff of Erie County, it was not until 1881, when he became mayor of Buffalo, that he took an important part in politics, and here his record as the business-like "veto mayor" was such as to carry him into the governor's chair a year later. The huge majority which he received in the gubernatorial contest was not wholly due to his own strength—doubtless factional quarrels among the Republicans assisted him—but the prominence which this election gave him and his conduct as Governor made inevitable his candidacy for higher office.

Few men could have been nominated who would have presented a more complete contrast than Blaine and Cleveland. In personality Blaine was magnetic, approachable, high-strung, possessed of a vivid imagination and of a marvellous memory for facts, names and faces. Over him men went "insane in pairs," either devotedly admiring or completely distrusting him. Cleveland was almost devoid of personal charm except to his most intimate associates. He was brusque and tactless, unimaginative, plodding, commonplace in his tastes and in the elements of his character. Men threw their hats in the air and cheered themselves hoarse at the name of Blaine; to Cleveland's courage, earnestness and honesty, they gave a tribute of admiration. When the campaign was at fever heat, Blaine was lift-

ing crowds of eager listeners to the mountain peaks of enthusiasm; Cleveland was in the governor's room in Albany, phlegmatically plodding away at the business of his office. He was too heavy, unimaginative, direct, to indulge in flights of oratory. Yet scarcely anything that Blaine said still lives, while some of Cleveland's phrases have passed into the language of every-day.

No less a contrast existed between Blaine and Cleveland as political characters. The former's experience in the machinery of politics, in the disposal of its loaves and fishes, has already been mentioned. Of that part of politics, Cleveland had had no experience. It is said that he never was in Washington, except for a single day, until he went there to become President. Both were bold and active fighters, but Blaine was a strategist, a manager and a diplomat, while Cleveland could merely state the policy which he desired to see put into effect, and then crash ahead. Blaine had the instinct for the popular thing, was never ahead of his party, was surrounded by his followers; Cleveland saw the thing which he felt a moral imperative to accomplish and was far in advance of his fellows. The Republican was popular among the professional political element in his party and was supported by it; the Democrat never was. Cleveland openly declared his attitude on controverted issues, in words that admitted of no ambiguity and at times when only silence or soft words would save him from defeat. Blaine lacked the moral courage and the indifference to immediate results which were necessary for so exalted an action. Cleveland had more of the reformer in his nature, and had so keen a sense of responsibility and duty that his political career was a succession of battles against things that seemed wrong to him. Blaine

accepted the party standards as they were; he belonged to the past, to the policies and political morality of war and reconstruction; Cleveland belonged to the transition from reconstruction to the twentieth century.

The particular thing, however, that came out of Blaine's past to dog his foot-steps, give him the enmity of the Independents—better known as the "Mugwumps"—and, doubtless, to defeat him, was a series of transactions exposed in the Mulligan letters. In order to understand these, it is necessary to inquire into events that occurred fifteen years before the overturn of 1884. In April, 1869, a bill favorable to the Little Rock and Fort Smith Railroad—an Arkansas land-grant enterprise—was before the House of Representatives. Blaine was Speaker. As the session was near its close and the bill seemed likely to be lost, its friends bespoke Blaine's assistance. He suggested that a certain point of order be raised, which would facilitate the passage of the measure, and also asked General John A. Logan to raise the point. Logan did so, Blaine sustained him and the act was passed. Nearly three months later, Warren Fisher, Jr., a Boston business man, asked Blaine to participate in the affairs of the Little Rock Railroad. Blaine signified his readiness, closing his letter with the words, "I do not feel that I shall prove a dead-head in the enterprise if I once embark in it. I see various channels in which I know I can be useful." When Blaine's enemies got hold of this, they declared that he intended to use his position as Speaker to further the interests of the road, as he had done at the time of the famous point of order; his friends asserted that he intended merely to sell the securities of the road to investors. Whether one of these contentions is true, or both, he did sell considerable amounts of the securities of the road to

Maine friends, getting a "handsome commission." Considerable correspondence passed between Blaine and Fisher from 1869 to 1872 when their relations ended. Blaine understood that all their correspondence was mutually surrendered.

In the spring of 1876, the presidential campaign was on the horizon and Blaine was a prominent candidate for the Republican nomination. Meanwhile ugly rumors were flying about concerning the connection of certain members of Congress, Blaine among them, with questionable railroad transactions, and he arose in the House to deny the charges. He did not discuss the matter fully, as he did not wish his Maine constituents to know that he had received a large commission for selling Little Rock securities. Gossip grew, however, and a congressional investigation resulted in May, 1876. Blaine was one of the witnesses, but was doubtless anxious to bring the investigation to an end, since it clearly reduced his chances of receiving the nomination. Presently gossip said that Warren Fisher and James Mulligan were going to testify. Mulligan had been confidential clerk to one of Mrs. Blaine's brothers and later to Fisher. When Mulligan began his testimony it appeared that he intended to lay before the committee a package of letters that had passed between Blaine and Fisher, and thereupon, at Blaine's whispered request, one of the members of the committee procured an adjournment for the day. That evening Blaine found Mulligan at the latter's hotel and prevailed on him to surrender the letters temporarily, in order that Blaine might read and then return them. Blaine thereupon consulted two lawyers and on their advice he refused to restore the package to Mulligan. Merely to keep silence, however, was to admit guilt. Blaine, therefore, arose one day in the

House of Representatives and holding the letters in his hand read selections and defended himself in a remarkable burst of emotional oratory. At the climax of this defence he elicited from the chairman of the committee of investigation an unwilling admission that the committee had suppressed a dispatch which Blaine declared would exonerate him. Blaine was triumphant, his friends sure that he had cleared himself and the matter dropped for the time. Further investigation was prevented by Blaine's refusal to produce the letters even before the committee and by his sudden illness shortly afterward. His election to the Senate soon took him out of the jurisdiction of the House committee and no action resulted.

The nomination of Blaine in 1884 was a fresh breeze on the half-dead embers of the Mulligan letters. *Harper's Weekly* and other periodicals published them with damaging explanatory remarks. Campaign committees spread them abroad in pamphlet form. Attention was directed to such phrases as "I do not feel that I shall prove a dead-head" and "I see various channels in which I know I can be useful." Hostile cartoonists used the phrases with an infinite variety of innuendo. But the most powerful evidence was still to come. On September 15, 1884, Fisher and Mulligan made public additional letters which Blaine had not possessed at the time of his defence in 1876. The most damaging of these was one in which Blaine had drawn up a letter completely exonerating himself, which he asked Fisher to sign and make public as his own. Blaine had marked his request "confidential" and had written at the bottom "Burn this letter." Fisher had neither written the letter which was requested nor burned Blaine's. Meanwhile it was recalled that Blaine had earlier characterized the reform-

ers as "upstarts, conceited, foolish, vain" and as "noisy but not numerous, pharisaical but not practical, ambitious but not wise," and the already intemperate campaign became more personal than ever.

Thomas Nast's able pencil caricatured Blaine in *Harper's Weekly* as a magnetic candidate too heavy for the party elephant to carry; *Puck* portrayed him as the "tattooed man" covered all over with "Little Rock," "Mulligan Letters" and the like. *Life* described him as a

> Take all I can gettery,
> Mulligan lettery,
> Solid for Blaine old man.

Nor was the contest of scurrility entirely one-sided. *Judge* caricatured Cleveland in hideous cartoons. The New York *Tribune* described him as a small man "everywhere except on the hay-scales." Beginning in Buffalo rumors spread all over the country that Cleveland was an habitual drunkard and libertine. As is the way of such gossip, its magnitude grew until the Governor appeared in the guise of a monster of immorality. The editor of the *Independent* went himself to Buffalo and ran the rumors to their sources. He came to the conclusion that Cleveland as a young man had been guilty of an illicit connection, that he had made amends for the wrong which he had done and had since lived a blameless life. Such religious periodicals as the *Unitarian Review,* however, continued to describe him as a "*debauchee*" and "*roué.*" Nearly a thousand clergymen gathered in New York declared him a synonym of "incapacity and incontinency." Much was made, also, of the fact that Cleveland had not served in the war, and John Sherman denounced him as having no sympathy for the Union

cause. It did little good in the heated condition of partisan discussion to point out that young Cleveland had two brothers in the service, that he was urgently needed to support his widowed mother and her six other children, and that he borrowed money to obtain a substitute to take the field. On the other side, *Harper's Weekly* dwelt upon the Mulligan scandal; *The Nation,* while deploring the incident in Cleveland's past, considered even so grave a mistake as less important than Blaine's, since the latter's vices were those by which "governments are overthrown, states brought to naught, and the haunts of commerce turned into dens of thieves."

As the campaign neared an end it appeared that the result would turn upon New York, Connecticut, New Jersey, and Indiana, and especially upon the first of these. In New York several elements combined to make the situation doubtful and interesting. Tammany's dislike of Cleveland was well-known, but open opposition, at least, was quelled before election day. Roscoe Conkling, still influential despite his retirement, refused to take the stump in behalf of Blaine, declaring that he did not engage in "criminal practice." The Republicans also feared the competition of the Prohibitionists, because they attracted some Republicans who refused to vote for Blaine and could not bring themselves to support a Democrat. On the eve of the election an incident occurred which would have been of no importance if it had not been for the closeness of the contest. As Blaine was returning from a speaking tour in the West, he was given a reception in New York by a delegation of clergymen. The spokesman of the group, the Reverend Dr. Burchard, referred to the Democrats as the party of "Rum, Romanism and Rebellion." Blaine, weary from his tour, failed to

notice the indiscreet remark, but the opposition seized upon it and used it to discredit him in the eyes of the Irish. On the same evening a dinner at Delmonico's at which many wealthy men were present, provided material for the charge that the Republican candidate was the choice of the rich classes.

Early returns on election night indicated that the Democrats had carried the South and all the doubtful states, with the possible exception of New York. There the result was so close that some days elapsed before a final decision could be made. Excitement was intense; and business almost stopped, so absorbed were people in the returns. At length it was officially decided that Cleveland had received 1,149 more votes than Blaine and by this narrow margin the Democrats carried New York, and with it the election.

Contemporary explanations of Blaine's defeat were indicated by a transparency carried in a Democratic procession which celebrated the victory:

> The *World* Says the Independents Did It
> The *Tribune* Says the Stalwarts Did It
> The *Sun* Says Burchard Did It
> Blaine Says St. John Did It
> Theodore Roosevelt Says It Was the Soft Soap Dinner [1]
> We Say Blaine's Character Did It
> But We Don't Care What Did It
> It's Done.

None of these explanations took into account the strength of Cleveland, but the closeness of the result made all of them important. From the vantage ground of later times, however, it could be seen that greater forces were at work. By 1884 the day had passed when political contests could be won on Civil War

[1] A reference to the Dorsey dinner at which Arthur told how Indiana was carried.

issues. The younger voters had no recollections of Gettysburg and felt no animosity toward the Democratic South. Moreover, Cleveland's success was the culmination of a long-continued demand for reform, which he satisfied better than Blaine.

The opening of the first Democratic administration since Buchanan's time excited great interest in every detail of Cleveland's activities and characteristics.[1] Moreover, many who had voted for him distrusted his party and were apprehensive lest it turn out that a mistake had been made in placing such great confidence in one man. The more stiffly partisan Republicans firmly believed that Democratic success meant a triumphant South, with the "rebels" again in the saddle. Sherman declared that Cleveland's choice of southern advisors was a "reproach to the civilization of the age," and Joseph B. Foraker, speaking in an Ohio campaign, found that the people wished to hear Cleveland "flayed" and wanted plenty of "hot stuff."

The President's early acts indicated that the partisans were unduly disturbed. His inaugural address was characterized by straightforward earnestness. The exploitation of western lands by fraudulent claimants was sharply halted. The cabinet, while inexperienced, contained several able men, of whom Thomas F. Bayard, Secretary of State, William C. Whitney, Secretary of the Navy, and L. Q. C. Lamar, the Secretary of the Interior, were best known.[2]

The first great obstacle that Cleveland faced was well portrayed by one of Nast's cartoons, in which the

[1] His marriage to Miss Frances Folsom, which occurred in 1886, occasioned lively interest.

[2] Other members were: Daniel Manning, N. Y., Secretary of the Treasury; William C. Endicott, Mass., Secretary of War; A. H. Garland, Ark., Attorney-General; William F. Vilas, Wis., Postmaster-General.

President, with an "Independent" club in his hand, was approaching a snarling, open-jawed tiger, which represented the office-seeking classes. The drawing was entitled "Beware! For He is Very Hungry and Very Thirsty." It was not difficult to foresee grave trouble ahead in connection with the civil service. The Democrats had been out of power for twenty-four years, the offices were full of Republicans, about 100,000 positions were at the disposal of the administration, and current political practice looked with indifference upon the use of these places as rewards for party work. Hordes of office-seekers descended upon congressmen, in order to get introductions to department chiefs; they filled the waiting rooms of cabinet officers; they besieged Cleveland. Disappointed applicants and displaced officers added to the clamor and confusion.

The President's policy, as it worked out in practice, was a compromise between his ideals and the wishes of the party leaders. He earnestly approved the Pendleton act and desired to carry out both its letter and its spirit. He removed office holders who were offensively partisan and who used their positions for political purposes. He gave the South a larger share in the activities of the government, both in the cabinet and in the diplomatic and other branches of the service. When the term of a Republican office holder expired he filled the place with a fit Democrat, if one could be found, in order to equalize the share of the two parties in the patronage. Nearly half of the diplomatic and consular appointments went to southerners, and eventually most of the Republicans were supplanted.

The displacement of so many officials gave the Republicans an opportunity to attempt to discredit the President in the eyes of his mugwump supporters. An amended law of 1869 gave the Senate a certain control

over removals, although the constant practice of early times had been to give the executive a free hand. Moreover the law had fallen into disuse—or, as the President put it—into "innocuous desuetude." The case on which the Senate chose to force the issue was the removal of George M. Duskin, United States District Attorney in Alabama, and the nomination of John D. Burnett in his place. The Senate called upon the Attorney-General to transmit all papers relating to the removal; the President directed him to refuse, on the ground that papers of such a sort were not official papers, to which the Senate had a right, and also on the ground that the power of removal was vested, by the Constitution, in the president alone. In the meantime it had been hinted to Cleveland that his nominations would be confirmed without difficulty if it were acknowledged that the suspensions were the usual partisan removals. To do this would, of course, make his reform utterances look hypocritical and he refused to comply:

> I . . . dispute the right of the Senate . . . in any way save through the judicial process of trial on impeachment, to review or reverse the acts of the Executive in the suspension, during the recess of the Senate, of Federal officials.

As he was immovable and was taking precisely the position that such Republican leaders as President Grant had previously taken, the Senate was obliged to give way. Although it relieved its feelings by censuring the Attorney-General, it later repealed the remains of the Tenure of Office act of 1869, leaving victory with the President.

In connection with the less important offices Cleveland was forced to compromise between the desirable and the practicable. Most of the postmasters were

changed, although in New York City an efficient officer was retained who had originally been appointed by Garfield. All the internal revenue collectors and nearly all the collectors of customs were replaced. On the other hand, the classified service was somewhat extended by the inclusion of the railway mail service, a change which, with other increases, enlarged the classified lists by 12,000 offices.

It seems evident that Cleveland pressed reform far enough to alienate the politicians but not so far as to satisfy the reformers. When he withstood Democratic clamor for office, the Independents applauded, and the spoilsmen in his own party accused him of treason. When he listened to the demands of the partisans, the reformers became disgusted and many of them returned to their former party allegiance. Eugene Field expressed Republican exultation at the dissension in the enemy's ranks:

> . . . the Mugwump scorned the Democrat's wail,
> And flirting its false fantastic tail,
> It spread its wings and it soared away,
> And left the Democrat in dismay,
> Too hoo!

Aside from the President, official Washington seems to have had but little real interest in reform. The Vice-President, Hendricks, was a partisan of the old school, and so many members of Congress were out of sympathy with the system that they attempted to annul the law by refusing appropriations for its continuance. On the whole a fair judgment was that of Charles Francis Adams, a Republican, who thought that Cleveland showed himself as much in advance of both parties as it was wise for a leader of one of them to be.

In addition to further improvements in the civil serv-

ice laws, Cleveland was interested in a long list of reforms which he placed before Congress in his first message: the improvement of the diplomatic and consular service; the reduction of the tariff; the repeal of the Bland-Allison silver-coinage act; the development of the navy, which he characterized as a "shabby ornament" and a naval reminder "of the days that are past"; better care of the Indians; and a means of preventing individuals from acquiring large areas of the public lands. The fact that Hayes and Arthur had urged similar reforms showed how little Cleveland differed from his Republican predecessors. It was not likely, however, that the program would be carried out, for Congress was not in a reforming mood and the Republicans controlled the upper house so that they could block any attempt at constructive policies.

The latent hostility which many of the Civil War veterans felt toward the Democratic party was fanned into flame by Cleveland's attitude toward pension legislation. The sympathy of the country for its disabled soldiers had early resulted in a system of pensions for disability if due either to wounds or to disease contracted in the service. Early in the seventies the number of pensioners had seemed to have reached a maximum. Two new centers of agitation, however, had appeared, the Grand Army of the Republic and the pension agent. The former was originally a social organization but later it took a hand in the campaign for new pension legislation. The agents were persons familiar with the laws, who busied themselves in finding possible pensioners and getting their claims established. The agitation of the subject had resulted in the arrears act of 1879, which gave the claimant back-pensions from the day of his discharge from the army to the date of filing his claim, regardless of the time

when his disability began. As the average first payment to the pensioner under this act was about $1,000, the number of claims filed had grown enormously and the pension agents had enjoyed a rich harvest. The next step was the dependent pensions bill, which granted a pension to all who had served three months, were dependent on their daily toil, and were incapable of earning their livelihood, whether the incapacity was due to wounds and disease or not. President Cleveland's veto of the measure aroused a hostility which was deepened by his attitude toward private pension acts.

For some time it had been customary to pass special acts providing pensions for persons whose claims had already been rejected by the pension bureau as defective or fraudulent. So little attention was paid to private bills in Congress that 1454 of them passed between 1885 and 1889, generally without debate and often even without the presence of a quorum of members. Two hours on a day in April, 1886, sufficed for the passage of five hundred such bills. Nobody would now deny that many were frauds, pure and simple. Cleveland was too frugal and conscientious to pass such bills without examination and he began to veto some of the worst of them. Each veto message explained the grounds for his dissent, sometimes patiently, sometimes with a sharp sarcasm that must have made the victim writhe. In one case where a widow sought a pension because of the death of her soldier husband it was discovered that he had been accidentally shot by a neighbor while hunting. Another claimant was one who had enlisted at the close of the war, served nine days, had been admitted to the hospital with measles and then mustered out. Fifteen years later he claimed a pension. The President vetoed the bill,

scoffing at the applicant's "valiant service" and "terrific encounter with the measles." Altogether he vetoed about two hundred and thirty private bills. Time after time he expressed his sympathy with the deserving pensioner and his desire to purge the list of dishonorable names, and many applauded his courageous efforts. Nevertheless, his pension policy presented an opportunity for hostile criticism which his Republican opponents were not slow to embrace. His efforts in behalf of pension reform were said to originate in hostility to the old soldiers and in lack of sympathy with the northern cause. In 1887 it even became necessary for him to withdraw his acceptance of an invitation to attend a meeting of the Grand Army in St. Louis, because of danger that he might be subjected to downright insult.[1]

Before the hostility due to the pension vetoes had subsided, Adjutant-General Drum called the attention of the President to the fact that flags taken from Confederate regiments by Union soldiers during the war and also certain flags formerly belonging to northern troops had for many years lain packed in boxes in the attic and cellar of the War Department. At his suggestion Cleveland ordered the return of these trophies to the states which the regiments had represented. Although recommended by Drum as a "graceful act," it was looked upon by the old soldiers with the utmost wrath. The commander of the Grand Army called upon Heaven to avenge so wicked an order and such politicians as Governor Foraker of Ohio gained temporary prominence by their bitter condemnation of it. Eventually the clamor was so great that the President

[1] President Cleveland also frequently used his veto power to prevent the passage of appropriations for federal buildings which he deemed unnecessary.

rescinded the order on the ground that the final disposition of the flags was within the sphere of action of Congress only. In February, 1905, however, Congress passed a resolution providing for the return of the flags and the exchange was effected without excitement.

For the reasons already mentioned, little legislation was passed during President Cleveland's administration that was of permanent importance. An exception was the Interstate Commerce Act, which is a subject for later discussion. A Presidential Succession Act, which has earlier been described, provided for the succession of the members of the cabinet in case of the removal or death of the president and vice-president. The Electoral Count Act placed on the states the burden of deciding contests arising from the choice of presidential electors. When more than one set of electoral returns come from a state, each purporting to be legal, Congress must decide which shall be counted. Of some importance, too, was the establishment of the Department of Agriculture in 1889 and the inclusion of its secretary in the cabinet. The admission of the Dakotas, Montana and Washington as states took place in the same year. The improvement of the navy, begun so auspiciously by Secretary Chandler under President Arthur, was continued with enthusiasm and vigor, and the vessels constructed formed an important part of our navy.

Of less popular interest than many of the political questions, but of more lasting importance, was the rapid reduction of the public land supply. The purpose of the Homestead law of 1862 had been to supply land at low rates and in small amounts to *bona fide* settlers, but the beneficent design of the nation had been somewhat nullified by the constant evasion of the spirit of the laws. Squatters had occupied land with-

out reference to legal forms; cattlemen had fenced in large tracts for their own use and forcibly resisted attempts to oust them; by hook and by crook individuals and companies had got large areas into their possession and held them for speculative returns. Western public opinion looked upon many such violations with equanimity until the supply of land began to grow small. Then came the demand for the opening of the Indian reservations, which comprised 250,000 square miles in 1885. The Dawes act of 1887 provided for individual ownership of small amounts of land by the Indians instead of tribal ownership in large reservations. By this means a considerable amount of good land was made available for settlement by whites. The dwindling supply of western land also called attention to certain delinquencies on the part of the railway companies. Many of them had been granted enormous amounts of land on certain conditions, such as that specified parts of the roads be constructed within a given time. This agreement, with others, was frequently broken, and question arose as to whether the companies should be forced to forfeit their claims. Cleveland turned to the problem with energy and forced the return of some millions of acres. Nevertheless, the fact that it was becoming necessary to be less prodigal with the public land indicated that the supply was no longer inexhaustible, and led the President in his last annual message to urge that the remaining supply be husbanded with great care. Congress was not alert to the demands of the time, however, and no effective steps were taken for many years.

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Sparks, Curtis, Dewey, and Stanwood continue useful; H. T. Peck, *Twenty Years of the Republic,* 1885–1905 (1907), is illuminating and interesting; H. J. Ford, *Cleveland Era* (1919), is brief; the files of *The Nation* and *Harper's Weekly* are essential, while those of the New York *Sun, Evening Post* and *Tribune* add a few points. The Mulligan letters are reprinted in *Harper's Weekly* (1884, 643–646).

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CHAPTER IX

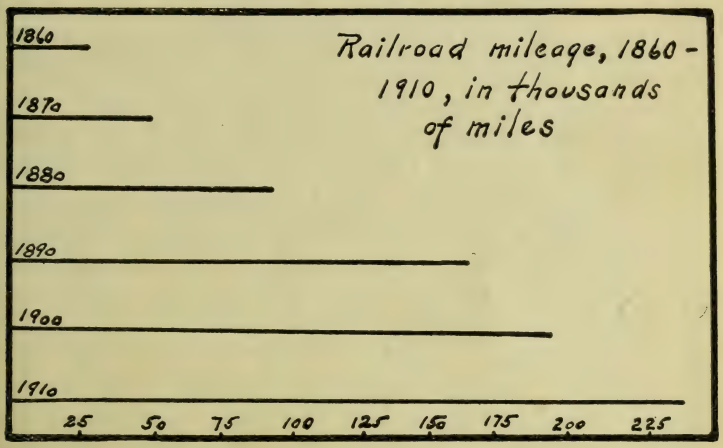
TRANSPORTATION AND ITS CONTROL

THE most significant legislative act of President Cleveland's administration was due primarily neither to him nor to the great political parties. It concerned the relation between the government and the railroads, and the force which led to its passage originated outside of Congress. The growth of the transportation system, therefore, the economic benefits which resulted, the complaints which arose and the means through which the complaints found voice were subjects of primary importance.

Beginning with the construction of the Baltimore and Ohio Railroad about 1830, the extension of the railways went forward with increasing rapidity so that they soon formed a veritable network: between 1830 and 1850 over 7,000 miles were laid; by 1860 the total was 30,000 miles; the Civil War and the financial depression of 1873 retarded progress somewhat, but such delays were temporary, and by 1890 the total exceeded 160,000 miles. In the earlier decades most construction took place in the Northeast, where capital was most plentiful and population most dense. Later activity in the Northeast was devoted to building "feeders" or branch lines. In the South, the relatively smaller progress which had been made before the war had been undone for the most part by the wear and tear of the conflict, but the twenty-five years afterward saw greatly renewed construction. The most surprising expansion took place in Texas where the 711 miles of 1870 were

increased to 8,754 by 1890. In the Middle West, roads were rapidly built just before the war and immediately after it, and the first connection with the Pacific Coast, as has been shown, was made in 1869.

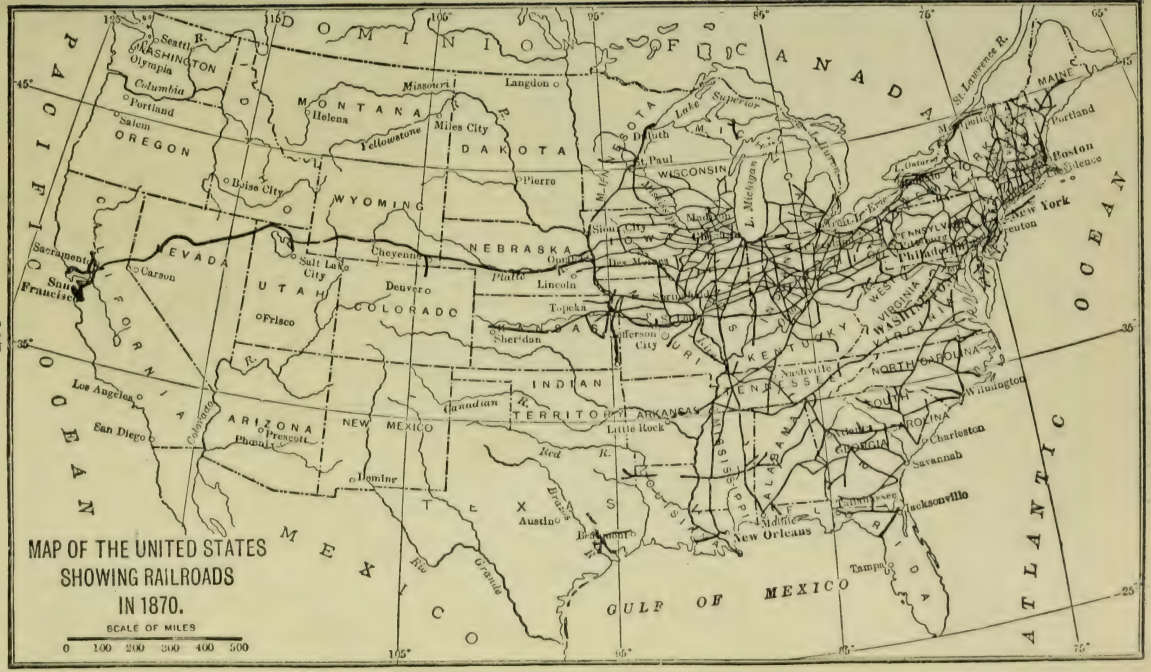
Many of the circumstances accompanying this rapid expansion were novel and important. Beginning with a federal grant to the Illinois Central, for example, in the middle of the century, both the nation and the



states assisted the roads by gifts of millions of acres of land. It was to the advantage of the companies to procure the grants on the best possible terms, and they exerted constant pressure upon congressmen whose votes and influence they desired. Frequently the agents of the roads were thoroughly unscrupulous, and such scandals as that connected with the Credit Mobilier were the result. More important still, the fact that the federal and state governments had aided the railroads so greatly gave them a strong justification for investigating and regulating the activities of the companies.

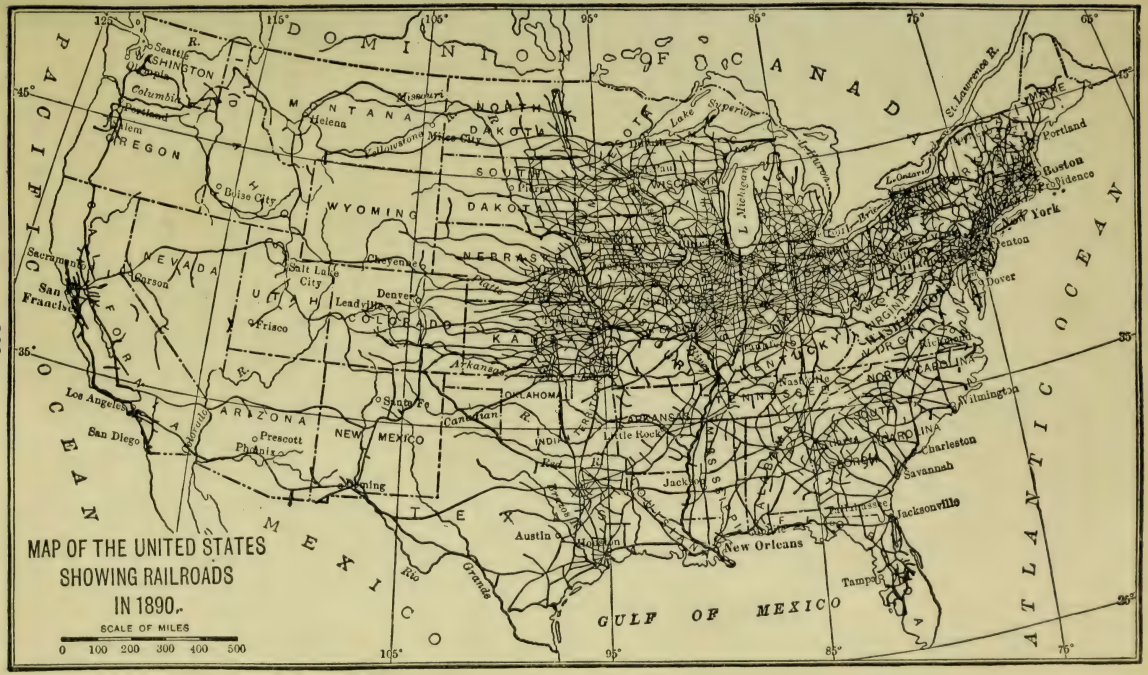
Mechanical inventions and improvements had no small part in the development of the transportation system. The early tracks, constructed of wood beams on which were fastened iron strips, and sometimes described as barrel-hoops tacked to laths, were replaced by iron, and still later by heavy steel rails. By 1890 about eighty per cent. of the mileage was composed of steel. Heavy rails were accompanied by improved roadbeds, heavier equipment and greater speed. A simple improvement was the gradual adoption of a standard gauge—four feet eight and a half inches—which replaced the earlier lack of uniformity. The process was substantially completed by the middle eighties, when many thousands of miles in the South were standardized. On the Louisville and Nashville, for example, a force of 8,763 men made the change on 1,806 miles of track in a single day. The inauguration of "standard" time also took place during the eighties. Hitherto there had been a wide variety of time standards and different roads even in the same city despatched their trains on different systems. In 1883 the country was divided into five vertical zones each approximately fifteen degrees or, in sun-time, an hour wide. Both the roads and the public then conformed to the standard time of the zone in which they were.

Of greater importance was the consolidation of large numbers of small lines into the extensive systems which are now familiar. The first roads covered such short distances that numerous bothersome transfers of passengers, freight and baggage from the end of one line to the beginning of the next were necessary on every considerable journey. No fewer than five companies, for example, divided the three hundred miles between Albany and Buffalo, no one of them operating more than seventy-six miles. In 1853, these five with five


MAP OF THE UNITED STATES
SHOWING RAILROADS
IN 1870.
SCALE OF MILES
0 100 200 300 400 500
DOMINION OF CANADA
PACIFIC OCEAN
ATLANTIC OCEAN
GULF OF MEXICO
MEXICO
WASHINGTON
OREGON
CALIFORNIA
NEVADA
UTAH
MONTANA
IDAHO
WYOMING
COLORADO
DAKOTA
NEBRASKA
KANSAS
INDIAN TERRITORY
ARIZONA
NEW MEXICO
TEXAS
MINNESOTA
WISCONSIN
IOWA
MISSOURI
ARKANSAS
LOUISIANA
MISSISSIPPI
ALABAMA
GEORGIA
FLORIDA
SOUTH CAROLINA
NORTH CAROLINA
TENNESSEE
KENTUCKY
VIRGINIA
WEST VIRGINIA
PENNSYLVANIA
NEW YORK
MAINE
Seattle
Olympia
Columbia
Portland
Salem
Helena
Yellowstone
Miles City
Boise City
Pierro
Langdon
Duluth
St. Paul
Lake Superior
L. Michigan
Sioux City
Omaha
Cheyenne
Salt Lake City
Denver
Carson
Sacramento
San Francisco
Frisco
Lincoln
Topeka
Sheridan
Jefferson City
Des Moines
Chicago
Detroit
Toronto
Buffalo
Albany
Boston
Portland
New York
Philadelphia
Trenton
Nashville
Little Rock
Memphis
New Orleans
Mobile
Jacksonville
Savannah
Charleston
Wilmington
Raleigh
Richmond
Washington
Pittsburg
Cincinnati
Louisville
St. Louis
Austin
Brenham
Houston
Tampa
Prescott
Phoenix
Los Angeles
San Diego
Yuma
Deming
Canadian R.
Red R.
Brazos R.
Rio Grande
Colorado R.
St. Lawrence R.
Ottawa R.
Potomac R.
Ohio R.
Missouri R.
Mississippi R.
Arkansas R.
Columbia R.
Platte R.
45°
40°
35°
25°
125°
115°
105°
95°
85°
75°
65°

others were consolidated into the New York Central Railroad. Sixteen years later, in 1869, the Central combined with the Hudson River, and soon afterwards procured substantial control of the Lake Shore and Michigan Southern, the Rock Island, and the Chicago and Northwestern. As the result of this process a single group of men directed the interests of a system of railroads from New York through Chicago to Omaha. The Pennsylvania Railroad began with a short line from Philadelphia to the Susquehanna River, picked up smaller roads here and there—eventually one hundred and thirty-eight of them, representing two hundred and fifty-six separate corporations—reached out through the Middle West to Cincinnati, Chicago and St. Louis, and in 1871 controlled over three thousand miles of track, with an annual income of over forty million dollars. In the eighties a railroad war in northern New England started the consolidation of the Boston and Maine system.

The beneficial results of the growth of the transportation facilities of the nation were immediate and revolutionary. The fact that average freight rates were cut in halves between 1867 and 1890 helped make possible the economic readjustments after the Civil War to a degree that is not likely to be overestimated. Not only did railway construction supply work for large numbers of laborers and help bring about an ever greater westward migration, but it opened a market for the huge agricultural surplus of the Middle West. Without the market in the cities of the populous Atlantic Coast and Europe, the expansion of the West would have been impossible. Moreover, the railways brought coal, ore, cotton, wool and other raw materials to the Northeast, and thus enabled that section to develop its manufacturing interests.


MAP OF THE UNITED STATES
SHOWING RAILROADS
IN 1890.
SCALE OF MILES
0 100 200 300 400 500
DOMINION OF CANADA
PACIFIC OCEAN
ATLANTIC OCEAN
GULF OF MEXICO
MEXICO
WASHINGTON
OREGON
CALIFORNIA
NEVADA
IDAHO
MONTANA
WYOMING
UTAH
ARIZONA
NEW MEXICO
COLORADO
NORTH DAKOTA
SOUTH DAKOTA
NEBRASKA
KANSAS
OKLAHOMA
TEXAS
MINNESOTA
IOWA
MISSOURI
ARKANSAS
LOUISIANA
WISCONSIN
ILLINOIS
MICHIGAN
INDIANA
OHIO
KENTUCKY
TENNESSEE
MISSISSIPPI
ALABAMA
GEORGIA
FLORIDA
SOUTH CAROLINA
NORTH CAROLINA
VIRGINIA
WEST VIRGINIA
PENNSYLVANIA
NEW YORK
MAINE
Seattle
Olympia
Columbia
Portland
Salem
Boise City
Helena
Missoula
Miles City
Bismarck
Huron
Pierre
Yankton
Sioux City
Omaha
Cheyenne
Denver
Leadville
Salt Lake City
Frisco
Reno
Carson
Sacramento
San Francisco
Los Angeles
San Diego
Prescott
Phœnix
Yuma
Santa Fe
Albuquerque
Canadian R.
Arkansas R.
Red R.
Indian Ter.
Little Rock
Fort Smith
Texarkana
Jackson
Shreveport
Austin
Houston
New Orleans
Galveston
Rio Grande
Kansas City
St. Louis
Chicago
Milwaukee
Detroit
Lake Michigan
Lake Superior
Lake Huron
Lake Erie
Lake Ontario
St. Lawrence R.
Buffalo
Rochester
Albany
Boston
Providence
Portland
New York
Trenton
Dover
Baltimore
Washington
Richmond
Norfolk
Wilmington
Charleston
Savannah
Jacksonville
Tampa
Key West
Cincinnati
Louisville
Nashville
Memphis
Vicksburg
Meridian
Montgomery
Atlanta
Columbus
Knoxville
Chattanooga
Pittsburg
Wheeling
Parkersburg
Cumberland
Scranton
Binghamton
Syracuse
Utica
Oswego
Toledo
Cleveland
Erie
Grand Rapids
Lansing
Port Huron
Duluth
St. Paul
Minneapolis
Winona
La Crosse
Madison
Milwaukee
Green Bay
Marquette
Sault Ste. Marie
125°
115°
105°
95°
85°
75°
65°
45°
35°
25°

Despite the admittedly great benefits resulting from the railroad system, there was a rising tide of complaint on the part of the public in regard to some aspects of its construction and management. It was objected, for example, that many of the western roads especially were purely speculative undertakings. Lines were sometimes built into new territory where competition did not exist and where, consequently, the rates could be kept at a high point. The Chicago, Burlington and Quincy presented such a case in 1856. Profits were so great as to embarrass the company, since the payment of large dividends was sure to arouse the hostility of the farmers who paid the freight rates. "This, indeed," declared the biographer of one of the presidents of the road, "was the time of glad, confident morning, never again to occur in the history of railroad-building in the United States." Sometimes lines were driven into territory which was already sufficiently supplied with transportation facilities, in order to compel the company already on the ground to buy out the new road. If, as time went on, traffic enough for both roads did not appear, they had to be kept alive through the imposition of high rates; otherwise, one of them failed and the investors suffered a loss. The opportunities for profit, however, were so numerous that the amount of capital reported invested in railways increased by $3,200,000,000 during the five years preceding 1885.

A practice which was productive of much wrongdoing and which was suggestive of more dishonesty than could be proved, related to the letting of contracts for the construction of new lines. The directors of a road frequently formed part or all of the board of directors of a construction company. In their capacity as railroad directors they voted advantageous contracts to themselves in their other capacity, giving no

opportunity to independent construction companies who might agree to build at a lower cost. As the cost of construction was part of the debt of the road, the directors were adding generously to their own wealth, while the company was being saddled with an increased burden. It cost only $58,000,000, for example, to build the Central Pacific, but a construction company was paid $120,000,000 for its services. When John Murray Forbes was investigating the Chicago, Burlington and Quincy he found that the president of the road was paying himself a salary as president of a construction company, out of the railroad's funds, without the supervision of the treasurer or any one else, and without any auditing of his accounts. Moreover, six of the twelve members of the board of directors were also members of the construction company. Such an attempt to "run with the hare and hunt with the hounds" was suggestive, to say the least, of great possibilities of profit to the directors and a constant invitation to unnecessary construction.

Another grievance against the railways was the reckless, irresponsible and arrogant management under which some of them operated. An eminent expert testified before an investigating commission in 1885 that Jay Gould once sold $40,000,000 of Erie Railway stock and pocketed the proceeds himself. Most of the energy of the officers of some roads was expended in deceiving and cheating competitors. "Railroad financiering" became a "by-word for whatever is financially loose, corrupt and dishonest." If certain roads demonstrated by successful operation that honest methods were better in the long run, their probity received scant advertisement in comparison with the unscrupulous practices of their less respectable neighbors. It is to be remembered, also, that the growth

of the railway system had been so rapid and so huge that it was impossible to meet the demand for trained administrators. Naturally, men possessed of little or no technical understanding of transportation problems could not provide highly responsible management.

The dishonest manipulation of the issues and sales of railroad stocks is a practice that was not confined solely to the twenty-five years after the Civil War, but the numerous examples of it which occurred during that period aggravated the exasperation which has already been mentioned. Daniel Drew, the treasurer of the Erie Railway in 1866, furnished an excellent illustration of this type of activity. Drew had in his possession a large amount of Erie stock which had been secretly issued to him in return for a loan to the company. The stock in the market was selling near par and still rising. Drew instructed his agents to make contracts for the future delivery of stock at prices current at the time when the contracts were made. When the time came for fulfilling his contracts, Drew suddenly threw the secret stock on the market, drove general market prices on Erie stock down from ninety-five to fifty, bought at the low figure, and sold at the high price which was called for in the contracts made by his agents. The effect of such sharp dealing on investors, the railroad or the public seems not to have entered into the calculation. Indeed, the Erie and many another road was looked upon by its owners merely as a convenient piece of machinery for producing fortunes.

Gould, Drew and other railroad men of their time were also expert in the practice of "stock-watering." This consists in expanding the *nominal* capitalization of an enterprise without an equivalent addition to the *actual* capital. The rates which the railway has to charge the public tend to increase by approximately

whatever dividends are paid on the water.[1] Then, as later, when a road was prospering greatly it would sometimes declare a "stock dividend," that is, give its stockholders additional stock in proportion to what they already owned. The addition would frequently be water. Its purpose might be to cover up the great profits made by the company. If, on a million dollars' worth of stock, it was paying ten per cent. dividends, the public might demand lower freight and passenger rates; but if the stock were doubled and earnings remained stationary, then the dividends would appear as five per cent.—an amount to which there could be no objection. H. V. Poor, the railroad expert, declared before a commission of investigation in 1885 that the New York Central Railroad was carrying $48,000,000 of water, on which it had paid eight per cent. dividends for fifteen years. He also estimated that of the seven and a half billions of indebtedness which the roads of the country were carrying in 1883, two billions represented water. Others thought that the proportion of water was greater. In any case the unnecessary burden upon business to provide dividends for the watered stock was an item of some magnitude. The investor, however, looked upon stock-watering with other eyes. The building of a new road was a speculation; the profits might be large, to be sure, but there might in many cases be a loss. In order to tempt money into railroad enterprises, therefore, inducements in the form of generous stock bonuses were necessary.

[1] For example, an investor might contribute $100 in cash to an enterprise. The "paid in capital" or "actual" capital would then be $100. He might receive in return $100 in stock and $100 in bonds, in which case the "nominal capital" would be $200; the additional $100 would be "water." If the enterprise paid interest on the bonds, and dividends on the stock, it would, of course, be paying a return on the water. The practice of stock-watering did not end with the days of Gould and Drew.

The rate wars of the seventies gave wide advertisement to another aspect of railroad history. The most famous of these contests had their origin in the grain-carrying trade from the Lakes to the sea-board. The entry of the Baltimore and Ohio and the Grand Trunk into Chicago in 1874, stimulated a four-cornered competition among these roads and the Pennsylvania and New York Central for the traffic between the upper Mississippi Valley and the coast. Rates on grain and other products were cut, and cut again; freight charges dropped to a figure which wiped out profits; yet it was impossible for any line to drop out of the competition until exhaustion forced all to do so. A railroad can not suspend business when profits disappear, for fixed expenses continue and the depreciation of the value of the property, especially of the stations, tracks and rolling stock, is extreme. Since the rate wars were clearly bringing ruin in their train, rate agreements and pooling arrangements were devised. The latter took several forms. Sometimes a group of competing roads agreed to divide the business among the competitors on the basis of an agreed-upon percentage. Another plan was to pool earnings at the close of a period and divide according to a prearranged ratio. Sometimes destructive competition was prevented by a division of the territory, each company being allowed a free hand in its own field. In general, pooling agreements were likely to break down, although a southern pool organized by Albert Fink on a very extensive scale lasted for many years and was thought to have had a vital influence in eliminating rate-wars. Their efficacy depended mainly on good faith, and good faith was a rarity among railroad officials in the seventies and eighties. In the eyes of the public, rate agreements and pools were vicious conspiracies which left

the rights and well-being of the private shipper completely out of the calculation.

Still another indictment of the railways resulted from their participation in politics. It was inevitable, of course, that the roads should be drawn into the field of legislation—the grants of public land, for example, helped bring about the result. It early seemed advantageous to attempt to influence state legislatures to pass favorable laws, and it seemed a necessity to bring pressure to bear in order to protect the roads from hostile acts. The methods used by the railway agents in their political activity naturally varied all the way from legitimate agitation to crude and subtle forms of bribery. An insidious method of influencing both lawmaking and litigation was the pass system. Under it the roads were accustomed to give free transportation to a long list of federal and state judges, legislators and politicians. For a judge to accept such favors from a corporation which might at any time be haled before his court, and for a legislator to receive a gift from a body that was constantly in need of legislative attention is now held to be improper in the extreme. But in those days a less sensitive public opinion felt hardly a qualm. That the practice was likely to arouse an unconscious bias in the minds of public officials is hardly debatable. The more crude forms of bribery, too, were not uncommon. It was testified before a committee of investigation that the Erie Railway Company in one year expended $700,000 as a corruption fund and for legal expenses, carrying the amount on the books in the "India-rubber account." The manipulation of the courts of New York by the Erie and the New York Central during the late sixties was nothing short of a scandal. Alliances between political rings and railroad officials for the purpose of caring for

their mutual interests were so common that reformers questioned whether the American people could be said to possess self-government in actuality. Immediately after the Civil War, Charles Francis Adams, an acute student of transportation, declared that it was scarcely an exaggeration to say that the state legislatures were becoming a species of irregular boards of railroad direction. The evils of the alliance between the roads and politics were not, of course, due entirely to the former. The receiver of a pass shared with the giver the evil of the system. Many a legislator was corrupt; more shared in practices which were little removed from dishonorable. Adams, for example, gives an account of his experiences, as a director of the Union Pacific, in dealing with a United States senator in 1884. The congressman was ready to take excellent care of railroad corporations which retained him as counsel, but was a corrupt and ill-mannered bully toward the Union Pacific, which had not employed him.[1]

The most constant grievance was discrimination—that the roads varied their rates for the benefit or detriment of especial types of freight, of individuals and of entire localities. Through business between competing points was carried at a low figure, while the roads recouped themselves by charging heavily in towns where competition was absent. Shippers complained that rates between St. Paul and Chicago, for example, where competition existed were hardly more than half the charges to places at a similar distance where a single road was in a position to demand what it pleased. Manufacturers in Rochester could send goods to New York City and reship them to Cincinnati,

[1] In this connection Professor Farrand mentions the statement of a railroad magnate that "in Republican counties he was a Republican, and in Democratic counties he was a Democrat, but that everywhere he was for the railroad." *Development of the United States*, p. 290.

back through Rochester, for less than the rate direct to their destination. Yet the direct haul was seven hundred miles shorter than the indirect. Secret arrangements were commonly made with favored shippers by which they secured lower rates than their competitors. When it became evident that transportation cost entered into the price of substantially everything which the ordinary citizen consumed, and when it was considered that a slight rise in railroad rates might easily amount to a heavy tax on a shipper or an entire region, it was seen that uniformity of rates was a matter of the utmost concern.

In brief, then, it was complained that the growth of the transportation system had placed enormous power in the hands of a small group of men, many of whom had indicated by their selfishness, arrogance and questionable practices that they ought not to be entrusted with so great a measure of authority.

The best example of the American railroad president after the war was Commodore Cornelius Vanderbilt. Vanderbilt began his career by ferrying passengers and freight between Staten Island and New York City. Later he turned his attention to shipping, in which he made a fortune, and planned the operation of steamships on a large scale. Becoming interested in railroading, he clearly perceived the importance of the western trade and the necessity of consolidation. Vanderbilt was a man of vision, a man who combined magnitude of plan with the vigorous grasp of the practical details necessary for the realization of his ambitions. He was buoyant, energetic, confident, ambitious, determined, despotic. Unhampered by modern conceptions of public duty, undeterred by the hostility of powerful opponents, with eyes fixed upon the combination and control of a great transportation system, Vanderbilt

entered courageously upon bitter struggles for supremacy which involved the misuse of the courts, the control of the New York state legislature and a thousand charges of corrupt influence and bribery, but he welded railroads together, replaced wood and iron with steel, and constructed tracks and terminals. At his death in 1877 he left a huge fortune and bequeathed to his successors a great, consolidated railroad enterprise, skillfully and successfully administered. The great weakness of Commodore Vanderbilt and his associates, and of those who later imitated his work was their fundamental conception of the railroad as a private venture. Success consisted in bigness, great profits, crushing or buying out competitors, and administering the business for the best good of the few owners, regardless of the interests of the region through which the railway passed. Vanderbilt and many of his contemporaries were men of business sagacity and foresight, but their ethical outlook was restricted and their sense of public responsibility not well developed.

So considerable a list of grievances naturally bestirred the people to seek relief at the hands of their legislators. Two lines of action were followed. In Massachusetts, as early as 1869, a state commission was formed with purely advisory powers. Under the able leadership of Charles Francis Adams it attained great influence and worked effectively for the elimination of railroad abuses through conference and the weight of public opinion. In Illinois, on the other hand, reliance was placed upon compulsory action. The state constitution of 1870 declared the railroads to be public highways and required the legislature to fix rates for the carriage of freight and passengers, and to pass laws to correct abuses connected with the railways and grain warehouses. In compliance with the consti-

tution the state passed the necessary legislation and placed their execution in the hands of a commission with considerable power. Other western states followed the Illinois model.

On the national scale the agitation for government action began with the minor parties. In 1872 the Labor Reformers demanded fair rates and no discrimination; in 1876 the Prohibitionists called for lower rates; in 1880 the Greenbackers stood for fair and uniform rates; four years later they urged laws which would put an end to pooling, stock-watering and discrimination, and in the same year the Republicans promised an act to regulate commerce if they were elected. The most effective force behind the demand for railroad regulation was the Patrons of Husbandry, better known as the "Grange." This society was founded by O. H. Kelley, a government clerk in Washington, in 1867. Its initial purpose was the organization of the agricultural classes for social and intellectual improvement, but later it engaged in the effort to correct transportation abuses and to arouse cooperation among the farmers in other ways. The movement grew astonishingly, especially in the Middle West, where its membership reached nearly 759,000 in 1875.

Transportation conditions in the West had not reached the relatively stable situation which characterized those of the East. In the West much new work was being done, with the attendant evils of construction companies and unnecessary and speculative undertakings. Much of the railroad stock was in the hands of eastern investors whom the western farmers pictured as living in idle ease on swollen incomes, careless of the high rates and unfair discriminations under which the farmer groaned. The constantly falling prices, which influenced the West in so many other

ways, served to heighten the discontent with any abuse which increased the farmer's burden. Moreover, the western states had contributed huge amounts of land to help build the railways and they were not minded to give up the hold which their generosity had justified.

Impelled, then, by such force as the Grange and similar organizations supplied, the western states proceeded to the adoption of laws whose purposes ordinarily included railroad rate-making by the legislature or by a commission, the doing away with such abuses as discrimination, and the prohibition of free passes. The railroads promptly opposed the laws and carried the battle to the courts. The so-called "Granger Cases" resulted. Three of these were representative of the general trend of the decisions.

The famous case Munn *v.* Illinois, which was decided by the Supreme Court in 1876 was possibly the most vital case in the history of the regulation of public service corporations after the Civil War. The legislature of Illinois, in conformity with the state constitution of 1870, had passed a law fixing maximum charges for the storage of grain in warehouses. The owners of a certain warehouse refused compliance with the law on the ground that it was contrary to the Constitution and hence null and void. They argued that when the state fixed rates it deprived the owners of the right to set higher charges and so, in effect, deprived them of their property, in defiance of that portion of the Fourteenth Amendment forbidding a state to "deprive any person of life, liberty, or property, without due process of law."

On examination of the history of the control of such enterprises, the Court found that it had been customary in England for many centuries and in this country from the beginning, to regulate rates on ferries, charges at

inns, and similar public enterprises, and that it had never been thought that such action deprived persons of property without due process of law. In other words, the established common law, at the time of the passage of the Fourteenth Amendment, did not look upon rate regulation as a deprivation of property. The Court, therefore, declared the Illinois warehouse law constitutional, and in doing so made the following statement:

> Property does become clothed with a public interest when used in a manner to make it of public consequence, and affect the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created.

While the Munn case was before the Court, the case Peik *v.* the Chicago and Northwestern Railway Company was raising a question which struck at the heart of the chief practical impediment in the way of state control of transportation. The central question in the litigation was whether the legislature of Wisconsin could lawfully regulate rates on railroads inside the state. Since the bulk of the traffic on most roads crosses state borders at one time or another in its transit, the regulation of rates within a state normally affects interstate commerce. But the regulation of interstate commerce is vested in Congress by the terms of the Constitution. The railroad was quick to take advantage of the division of power between the states and the nation. Indeed, when fighting state legislation, the roads earnestly emphasized the exclusive power of Congress over interstate commerce; but when fighting national regulation, they equally deprecated any inter-

ference with the reserved rights of the states. Acting in accordance with its established practice, the Court decided that the state was authorized to regulate rates within its borders, even though such regulation indirectly affected persons outside, until Congress passed legislation concerning interstate commerce. Obviously this decision allowed the states to work out their railroad problems unhampered, and constituted one of the chief victories for the Grangers.

In 1886, however, the Court overturned some of the principles which had been established in the Munn and Peik cases. The new development came about in connection with the Wabash railroad. It appeared that the road had been carrying freight from Peoria, Illinois, to New York for smaller rates than were charged from Gilman to New York, despite the fact that Peoria was eighty-six miles farther away. Since Illinois law forbade a road to levy a greater charge for a short haul than for a long one, a suit was instituted and carried to the Supreme Court. The company held that the Illinois legislation affected interstate commerce and hence trenched upon the constitutional power of Congress. This time the Court upheld the road. It decided that the transportation of goods from Illinois to New York was commerce among the states, that such commerce was subject to regulation by Congress exclusively, and that the Illinois statute was void. It seemed, then, that state regulation was a broken reed on which nobody could safely lean, and attention thereupon turned to the federal government.

Congress had already been discussing federal regulation intermittently for some years. The so-called "Windom Report" of 1874 had advised federal construction and improvement of transportation facilities in order to lower rates through competition, but no

action had resulted. In 1878 the "Reagan bill" had proposed government regulation, and from that time the subject had been almost continuously before Congress. In 1885 the Senate had appointed a select committee of five to investigate and report upon the regulation of freight and passenger transportation. The committee was headed by Shelby M. Cullom, who had been a member of the legislature of Illinois and later governor, in the years when the railroad and warehouse laws were being put into effect. It endeavored to discover all shades of opinion by visiting the leading commercial centers, and by consulting business men, state commissioners of railroads, Granger officials and others. After a somewhat thorough investigation, the committee expressed its conviction that no general question of governmental policy occupied so prominent a place in the attention of the public as that of controlling the growth and influence of corporations. The needed relief might be obtained, the committee thought, through any one of four methods: private ownership and management, with a greater or less degree of government oversight; government ownership and management; government ownership with private management under public regulations; partial state ownership and management in competition with private companies. The widespread opposition to state ownership of railroads, the commission thought, seemed to point to some form of government regulation and control of the existing situation.

Impressed with the magnitude of the abuses involved, and the hopelessness of regulation through state laws, the committee presented a bill designed to bring about regulation on a national scale through a federal agency. The resulting law was the Interstate Commerce Act of February 4, 1887. It provided that

all railway charges should be reasonable and just; forbade the roads to grant rebates, or to give preferences to any person, locality or class of freight, or to charge more for a short haul than for a long one except with the consent of the proper authorities; it made pooling unlawful; and it ordered the companies to post printed copies of their rates, which were not to be altered except after ten days' public notice. The act also created an Interstate Commerce Commission of five members to serve six-year terms, into whose hands the administration of the measure was placed. Persons who claimed that the railways were violating the provisions of the law could make complaint to the Commission, or bring suit in a United States Court. In order that the Commission might know the condition of the roads, it was given power to call upon the carriers for information, to demand annual reports from them, and to require the attendance of witnesses. If the railroads refused to carry out the orders of the Commission, they could be brought before a United States district court.

In forbidding pools, the Act committed the railroads to the policy of enforced competition, a policy which was commonly accepted at the time as the best one for the public interest. Such experts, however, as Professor A. T. Hadley and Charles Francis Adams, Jr., raised important objections. They cited the rate wars to indicate the results of competition and declared that railroads ought to be monopolies. If two grocery stores are established where trade enough exists for only one, they asserted, the weaker competitor can close his doors and the public loss is not heavy; but in the case of the railways a weak competitor must continue business even at disastrously low rates because all his interest charges continue and the depreciation on his property is extreme. The construction of an

unnecessary road and its subsequent operation at a loss, its failure or its abandonment, constitute a great drain upon the public. Such objectors contended that pooling combinations did away with many of the evils of cut-throat competition, and they accordingly urged that the carriers be permitted to make such arrangements, under whatever government regulation might be needed to prevent unreasonable charges. By such means the available business of a region might be fairly divided among the roads entering it, without resort to competitive rate-cutting and its consequent evils.

The passage of the law was looked upon with much hostility on the part of the railroad interests. James J. Hill thought that the railroads might survive, although the country would be ruined, and he predicted that Congress would shortly be called in special session to repeal the act. More important than mere hostility was the constant opposition and evasion which characterized the attitude of the carriers toward the operation of the law. Discriminations were commonly practiced and hidden away in accounts under false or misleading headings. Rebates were given and received, a fact which was due in no small degree to the shippers themselves. A large shipper might demand advantageous rates and threaten to turn his trade over to a rival road. As the arrangement would be secret, and the likelihood of discovery small, the temptation to break the law was correspondingly great.

The good results of the passage of the law were disappointingly slight. To be sure, the Commission was gaining experience, administrative precedents were being established and injustice was somewhat less common than before. The first chairman was Judge T. M. Cooley, a noted lawyer whose appointment was con-

sidered an admirable one. Most important of all, the principle of government regulation was established. Nevertheless, progress was so slow as to be almost invisible. The courts hampered the activities of the Commission. When cases arose involving its decisions, they allowed a retrial of the entire case from the beginning, permitting the introduction of facts which had been designedly withheld by the carriers in order to undermine the influence of the Commission, and sometimes they reversed its findings and so dulled the effectiveness of its labors. Eleven years after the Act was passed the Commission declared that abuses were so constant that the situation was intolerable; a prominent railroad president made the charge that "good faith had departed from the railway world"; and an important authority on railroad affairs declared that the Commission had become an impotent bureau of statistics.

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CHAPTER X

EXTREME REPUBLICANISM

THAT the election of 1888 differed from its predecessors since 1865 was due chiefly to the independence, courage and political insight of President Cleveland. Hitherto campaigns had been contested with as little reference to real issues as conditions rendered possible. Neither party had possessed leaders with sufficient understanding of the needs of the nation to force a genuine settlement of an important issue. That 1888 saw a clear contest made it a memorable year in recent politics.

It will be remembered that the tariff act of 1883 had been satisfactory only to a minority in Congress, because it retained the high level of customs duties that had been established during the Civil War. The congressional election of 1882 had resulted in the choice of a Democratic House of Representatives and had offered another opportunity for downward revision. Early in 1884, therefore, William R. Morrison presented a bill making considerable additions to the free list and providing for a "horizontal" reduction of about twenty per cent. on all other duties as levied under the act of 1883. The measure was defeated by four votes. Opposed to it were substantially all the Republicans and forty-one Democrats, most of them from the industrial states of New York, New Jersey, Pennsylvania and Ohio. The Democratic tariff plank of 1884, as has been seen, was practically meaningless, but the election

of Cleveland, and the choice of a Democratic House gave another opportunity for revision. Again Morrison attempted a reduction, and again he was defeated by Samuel J. Randall and the other protectionist Democrats.

The entire matter, however, was about to receive a new and important development at the hands of President Cleveland and John G. Carlisle, who was the Speaker of the House during the four years from 1885 to 1889. Carlisle was a Kentuckian, a man of grave bearing, unflagging industry and substantial attainments. His tariff principles were in accord with those of the President, and his position as Speaker enabled him to determine the make-up of the Committee on Ways and Means, which would frame any tariff legislation. Cleveland had expressed his belief in the desirability of tariff reduction in his messages to Congress of 1885 and 1886, basing his recommendations on the same facts that had earlier actuated President Arthur in making similar suggestions. His recommendations, however, had received the same slight consideration that had been accorded those of his Republican predecessor. He therefore determined to challenge the attention of the country and of Congress by means of a novel expedient.

Previous presidential messages had covered a wide variety of subjects—foreign relations, domestic affairs, and recommendations of all kinds. Departing from this custom, the President made up his mind to devote an entire message to tariff reform. His project was startling from the political point of view, for his party was far from being a unit in its attitude toward reduction, a presidential campaign was at hand, and the Independents, who had had a strong influence in bringing about his success in 1884, sent word to him

that a reform message would imperil his chances of re-election. This type of argument had little weight with Cleveland, however, and his reply was brief: "Do you not think that the people of the United States are entitled to some instruction on this subject?"

On December 6, 1887, therefore, he sent to Congress his famous message urging the downward revision of the tariff. The immediate occasion of his recommendation, he declared, was the surplus of income over expenditure, which was piling up in the treasury at a rapid rate and which was a constant invitation to reckless appropriations. The portion of the public debt which was payable had already been redeemed, so that whatever surplus was not expended would be stored in the vaults, thus reducing the amount of currency in circulation, and making likely a financial crisis. The simplest remedy for the situation seemed to Cleveland to lie in a reduction of the income, and the most desirable means of reduction seemed to be the downward revision of the tariff, a system of "unnecessary taxation" which he denominated "vicious, inequitable, and illogical." Disclaiming any wish to advocate free trade, he expressed the hope that Congress would turn its attention to the practical problem before it:

> Our progress toward a wise conclusion will not be improved by dwelling upon the theories of protection and free trade. This savors too much of bandying epithets. It is a *condition* which confronts us, not a theory.

The effect of the message was immediate. Men began at once to take sides as if everybody had been waiting for a leader to speak his mind; and the parties adopted the definite principles to which they adhered for many years afterwards. The Democrats very generally rallied to the support of their champion; gaps in

the ranks were closed up; and doubtless the usual pressure was applied to obstinate members who were disinclined to follow the leader. The Republican attitude was well expressed in the phrase of one of the politicians: "It is free-trade, and we have 'em!" The most prominent Republican, James G. Blaine, was in Paris, but true to his instinctive recognition of a good political opportunity he gave an interview which was immediately cabled to America. In it Blaine maintained that tariff reduction would harm the entire country, and especially the South and the farmers, and urged the reduction of the surplus by the abolition of the tax on tobacco, which he termed the poor man's luxury. The "Paris Message" was generally looked upon as the Republican answer to Cleveland, and as pointing to Blaine as the inevitable candidate for the ensuing campaign. On one point, most men of both parties were agreed—that the President had displayed great courage. "The presidential chair," declared James Russell Lowell, "has a MAN in it, and this means that every word he *says* is weighted with what he *is*."

The chairman of the Ways and Means Committee in the House of Representatives, Roger Q. Mills, promptly presented a bill which conformed to the principles for which the President had argued. The discussion of the Mills bill was long known as the "Great Tariff Debate of 1888." The House seethed with it for more than a month. Mills and Carlisle on one side and William McKinley and Thomas B. Reed on the other typified the new leadership and the new positions which the parties were taking. Senator Morrill's idea that the war tariff was a temporary one, President Arthur's advice that the tariff be revised, the recommendations of the Tariff Commission of 1882 that reductions were necessary,—all these were no longer heard.

Instead, the Republicans upheld the protective system as the cause of the unexampled prosperity of the nation. It is not to be supposed that protectionist or reductionist converts were made by the endless discussion, but the initial prejudices of each side were undoubtedly deepened. Each telling blow on either side was applauded by the partisans of each particular speaker, so that "applause" fairly dots the dull pages of the Congressional Record. McKinley enlivened his colleagues by pulling from his desk and exhibiting a suit of clothes which he had purchased for $10.00, a figure, he asserted, which proved that the tariff did not raise prices beyond the reach of the laboring man. Mills tracked down the cost of the suit and the tariff on the materials composing it, and further entertained the House by an exhibit showing that it cost $4.98 to manufacture the suit and that the remainder of the price which the laborer paid was due to the tariff. In the end, the Mills bill passed the House with but four Democrats voting against it. Randall was so ill that he was unable to be present when the final vote was taken, but a letter from him declaring his opposition to the bill was greeted with great applause on the Republican side. Randall's day was past, however, and leadership was passing to new men.

Meanwhile the Republicans in the Senate, where they were in control, had prepared a tariff bill which was designed to give evidence of the sort of act which would be passed if they were successful in the campaign. Senator Allison and Senator Aldrich were influential in this connection. The passage of leadership in tariff matters to Senator Aldrich and men of his type was as significant as the transition in the House. Aldrich was from Rhode Island, an able man who had had experience in state affairs, had served

in the federal House of Representatives and had been in the Senate since 1881. He had already laid the foundations of the great financial and industrial connections which gave him an intimate, personal interest in protection and which later made him an important figure in American industry and politics. Since neither party controlled both branches of Congress, it was impossible to pass either the Mills bill or the Senate measure; but the proposed legislation indicated what might be expected to result from the election. Each side had thoroughly committed itself on the tariff question.

In the meanwhile, great interest attached to the question of leaders for the campaign. Opposition to Cleveland was not lacking. His efforts in behalf of civil service reform had not endeared him to the office-seekers, and the hostility of the Democrats in the Senate was shown by their feeble support of him. The West did not relish his opposition to silver coinage, while his vetoes of pension legislation were productive of some hostility, even in his own party. Nor was the personality of the President such as to allay ill-feeling. Indeed, Cleveland was in a position comparable to that of Hayes eight years before. He was the titular party leader, but the most prominent Democratic politicians were not in agreement with his principles, and any step taken by him was likely to arouse as much hostility in some Democratic quarters as among the Republicans. Opposition to his nomination focused upon David B. Hill, Governor of New York, a man who was looked upon as better disposed towards the claims of party workers for office. Other leaders like Bayard, Thurman and Carlisle aroused little enthusiasm, and the gradual drift of sentiment toward Cleveland became unmistakable. If the poli-

ticians did not accept him with joy, they at least accepted him; for he was master of the party for the moment at least, and his hold on a large body of the rank and file was not to be doubted. When the Democratic convention met in St. Louis in June, 1888, his nomination was made without the formality of a ballot.[1]

The platform was devoted, for the most part, to the question of revenue reform, indorsing the President's tariff message and urging that the party be given control of Congress in order that Democratic principles might be put into effect. Resolutions were also adopted recommending the passage of the Mills bill, which was still under discussion when the convention met.

Among the Republicans the choice of a candidate was a far more difficult matter. The probable choice of the party was Blaine, but his letter from Italy, where he was travelling early in the convention year, forbade the use of his name and opened the contest to a great number of less well-known leaders. Publicly it was stated that Blaine refused for reasons which were "entirely personal," but intimate friends knew that he would accept a nomination if it came without solicitation and as the result of a unanimous party call. Although the demand for him still continued, there were smaller "booms" for various favorite sons, and as his ill health continued he made known his irrevocable decision to withdraw. Except for Blaine, the most prominent contender was Senator Sherman, whose candidacy reached larger proportions than ever before. The Ohio delegation was

[1] The vice-presidential candidate was Allan G. Thurman of Ohio, affectionately known as the "noble old Roman," one of whose titles to fame was the ownership of a large red bandanna handkerchief which he flourished on all occasions.

unitedly in his favor and considerable numbers of southern delegates were expected to vote for him. On the other hand, his lack of personal magnetism was against him and his career had been connected with technical matters which did not make a popular appeal. On the first ballot in the nominating convention his lead was considerable, although not decisive, but no fewer than thirteen other leaders also received votes. One of these was Senator Benjamin Harrison of Indiana whom Blaine had suggested as an available man and whom the New York delegation considered a strong candidate because he was poor, a reputable senator, a distinguished volunteer officer in the war and a grandson of William H. Harrison of Tippecanoe fame. Further voting only emphasized the lack of unanimity until the eighth ballot, when the delegates suddenly turned to Harrison and nominated him.

The platform was long and verbose. It devoted much attention to the protective tariff which, in imitation of Henry Clay, it entitled the "American system"; it advocated the reduction of internal revenue duties, if necessary to cut down the surplus; and it urged civil service reform, liberal pensions and laws to control oppressive corporations.

Two factions of the Labor party, as well as the Prohibitionists, nominated candidates and urged programs to which no attention was paid, but which were later taken up by both the great parties, such as arbitration in labor disputes, an income tax, the popular election of senators, woman suffrage and the prohibition of the manufacture of alcoholic beverages.

The campaign deserves attention because of the unusual elements that entered into it. A spectacular feature which, although not new, was developed on a large scale, was the formation of thousands of political

clubs, which paraded evenings with flaming torches. In this type of organization the Republicans were more successful than the Democrats and thus steered many young men into the party at a time when they were looking forward to casting their first ballot. The most unwholesome feature was, as before, the methods used to finance the campaign. In this connection both parties were guilty, but the Republicans were able to tap a new source of supply. The campaign was in the hands of Matthew S. Quay, a Pennsylvania senator whose career as a public official left much to be desired. Quay's political methods were vividly described at a later time by his friend and admirer Thomas C. Platt, whose account lost none of its delightfulness in view of the fact that Platt obviously felt that he was complimenting his friend in telling the story. Believing in the "rights" of business men in politics, Platt declared, Quay was always able to raise any amount of money needed, although when funds were raised by business interests against him, he lifted the "fiery cross" and virtuously exposed his opponents before the people. Having calculated with skill the number of votes needed for victory, he found out where he could get them—"and then he got them."

That Quay was able to tap a new source of supply was due to a combination of circumstances. It will be remembered that the Pendleton civil service act of 1883 had forbidden the assessment of office-holders in political campaigns, and had made it necessary to procure funds elsewhere. In the campaign of 1888, business men who believed that the success of Cleveland would hurt their interests, and manufacturers who profited directly by the protective tariff rallied to the

defence of Harrison and contributed heavily to his campaign fund.[1]

The use to which the funds thus contributed were put was revealed in a letter written apparently by W. W. Dudley, treasurer of the National Republican Committee, and sent to party leaders in Indiana. The latter were directed to find out who had the "Democratic boodle" and force them, presumably by competition, to pay big prices for their own men. The leaders were also instructed to "divide the floaters into blocks of five and put a trusted man with the necessary funds in charge of these five, and make him responsible that none get away, and that all vote our ticket."

On the other hand the most wholesome feature of the campaign was its educational aspect. Hundreds of societies, tons of "literature," thousands of stump speeches attacked and defended the tariff. Schoolboys glibly retailed the standard arguments on one side or the other. Attention was centered, as it had not been since the war, on an important issue.

At the close of the campaign the Republicans played a trick which was reminiscent of the Morey letter of Garfield's day. A letter purporting to be from a Charles F. Murchison, a naturalized American of English birth, was sent to the British minister in Washington, Lord Sackville-West. Murchison requested the minister's opinion as to whether President Cleveland's hostile policy in a recent controversy with Canada had been adopted for campaign purposes and whether after election the President would be more friendly toward

[1] A party worker who realized the opportunity which this fact presented complained that Pennsylvania manufacturers who made fortunes under protection did not contribute to the Republican campaign fund, and remarked: "If I had my way about it I would put the manufacturers of Pennsylvania under the fire and fry all the fat out of them."

England. Lord Sackville indiscreetly replied that he believed President Cleveland would show a conciliatory spirit toward Great Britain. The correspondence was held back until shortly before the election and was then published in the newspapers and on hand bills. Republicans triumphantly declared that Cleveland was the "British candidate." The President was at first inclined to overlook the incident but eventually gave way to pressure and dismissed the minister, whereupon the English government refused to fill the vacancy until there was a change of administration.

In the ensuing election the vote cast was unusually heavy; the protectionists felt that a supreme effort must be made to preserve the tariff system, and the Democrats, having experienced the joys of power, were determined not to loosen their grip on authority; the Prohibitionists increased their vote over that of 1884 by 100,000, while the Labor party cast 147,000, almost as many ballots as the Prohibitionists had numbered in the earlier year. Cleveland received somewhat over 100,000 more votes than Harrison, but his support was so placed that his electoral vote was sixty-five less than his opponent's.

From the standpoint of political history the result was unfortunate. The tariff question had been sadly in need of a definite answer, the people had been educated upon it and had given a decision, but the electoral system placed in power the party pledged to the theories of the minority. Aside from the unusual effect of our machinery of election, many small elements entered into the Republican victory. Some of the Independents had become disaffected since 1884 and had returned to the Republican fold. Disgruntled office-seekers opposed a President who did not reward his workers. In New York, which was the decisive

factor, Hill was a candidate for re-election as governor and was elected by a small majority, while Cleveland lost the state by 7,000 votes. This gave color to charges that the enemies of the President had made a bargain with the Republicans by which the latter voted for Hill as governor and the Democrats for Harrison as President.

Benjamin Harrison, veteran of the Civil War in which he had attained the rank of brevet brigadier-general, and senator from Indiana for a single term, was hardly a party leader when he was nominated for the presidency. Although he was by no means unknown, he had been sufficiently obscure to be unconnected with factional party quarrels, and his career and character were without blemish. At the time of his accession to the executive chair he was fifty-six years of age, a short man with bearded face, and with head set well down between his shoulders. Accounts of his characteristics, drawn by his party associates, did not differ in any essential detail. As a public speaker, the new President was a man of unusual charm—felicitous in his remarks, versatile, tactful. In a famous trip through the South and West in 1891, he made speech after speech at a wide variety of places and occasions, and created a genuine enthusiasm. His remarks were widely read and highly regarded. Nevertheless there seems to have been some truth in the remark of one of his contemporaries that he could charm ten thousand men in a public speech but meet them individually and send every one away his enemy. His manner, even to senators and representatives of his own party, was reserved to the point of frigidity. When he granted requests for patronage he was so ungracious as to anger the recipients of favor. Although his personal character and integrity were as unquestioned as

those of Hayes, and although he was a man of cultured tastes, well-informed, thoughtful and conscientious, it must be admitted that he lacked robust leadership and breadth of vision, and that he did not understand the real purposes of the policies which his party associates were embarking upon, or if he did that he tamely acquiesced in them. The party leaders were soon engaged in initiating practices and passing legislation which would strengthen the organization with certain groups of interested persons. Harrison, conscientious but aloof, provided no compelling force to turn attention toward wider and deeper needs.

Two appointments to the cabinet were important. Since Blaine was the foremost leader of the party and had done much to bring about the election of Harrison, it was well-nigh impossible for the latter to fail to offer him the position of Secretary of State. The appointment was so natural that popular opinion looked upon it as the only possibility, yet the natures of the two men were so diverse and their positions in the party so different that friction seemed likely to result. Even before the administration began it was freely predicted that Blaine would "dominate" the cabinet, a prophecy that might well create a feeling of restraint between the two. The invitation to John Wanamaker to become Postmaster-General was regarded as significant. Wanamaker was a wealthy merchant of Philadelphia, who had organized an advisory campaign committee of business men which contributed and expended large sums of money during the canvass. Critical reformers like the editor of *The Nation* were not slow to connect Wanamaker's large contribution to the campaign fund with his elevation to the cabinet, and to suggest that the business interests were being brought into close relations with the administration.

T. C. Platt, expectant of a return for his campaign assistance, in the form of a cabinet position, and in fact understanding that a pledge had been made that he would be appointed, found himself superseded by William Windom of Minnesota in the Treasury and became a bitter opponent of the President.[1]

It was an odd turn of the fortune of politics that brought Benjamin Harrison face to face with the responsibility for furthering the cause of civil service reform—the same Harrison who, as a senator, had sneered at Cleveland for surrendering to difficulties. The party platform had urged the continuation of reform, which had been "auspiciously begun under the Republican administration" and had declared that the party promises would not be broken as Democratic pledges had been; and Harrison had announced his adherence to the party statement. In some respects real progress was made. Secretary of the Navy Tracy introduced reform methods in his department. The appointment of Theodore Roosevelt to the Civil Service Commission was productive of good results. The work of reform was defended forcefully and successfully; its opponents were challenged to substantiate their charges. When Senator Gorman declared that in an examination for letter carriers in Baltimore the candidates were asked to tell the most direct route from Baltimore to China, Roosevelt at once wrote asking him to state the time and place of the examination himself or to send somebody to look over the papers, copies of which were in the commission's office. The senator did not reply.

The removal of office holders, however, proceeded

[1] The remaining members of the cabinet were: Redfield Proctor, Vt., Secretary of War; W. H. H. Miller, Ind., Attorney-General; B. F. Tracy, N. Y., Secretary of the Navy; J. W. Noble, Mo., Secretary of the Interior; J. M. Rusk, Wis., Secretary of Agriculture.

with amazing rapidity. The First Assistant Postmaster-General was J. S. Clarkson, who had been vice-chairman of the Republican National Campaign Committee. The speed with which he cleared the service of Democrats earned him the title "headsman" and is indicated by the estimate that he removed one every three minutes for the first year. When the force of clerks was increased for the taking of the census of 1890, the superintendent of the census office found himself "waist deep in congressmen" trying to get places for friends. The Republican postmaster of New York who had been continued by Cleveland was not reappointed. It was soon discovered, also, that the President was placing his own and his wife's relatives in office and giving positions to large numbers of newspaper editors, thus indirectly subsidizing the press. The Commissioner of Pensions, Corporal James Tanner, distributed pensions so freely as to arouse wide-spread comment and was soon relieved of his position.[1]

Curtis, addressing the National Civil Service Reform League, flayed the President because he had despoiled the service. A Republican newspaper, he declared, had said that the administration whistled reform down the wind "as remorselessly as it would dismiss an objectionable tramp." Prominent members of the party went to the President in person to urge on him the redemption of the platform promises.

Although progress was not general, nevertheless there were particular reforms that commended them-

[1] Corporal Tanner is commonly supposed to have been so anxious to have a hand in the generous distribution of government revenue among the old soldiers that he declared one morning as he seated himself at his desk, "God help the surplus." This is a mistake, although the Corporal seems to have been more ready than the President to act quickly and generously on claims.

selves. The offensive Clarkson gave way to hostile criticism and retired. During the last half of the administration, the civil service rules were amended so as to add a considerable number of employees to the classified service, especially in the postoffice department. Quay and Dudley found their methods condemned by public opinion and resigned their positions on the National Republican Committee.[1]

Aside from his choice of subordinates, Harrison contributed little to the political history of his administration, for the leadership was seized by a small coterie of extreme Republicans in the House of Representatives, of whom the chief figure was the Speaker, Thomas B. Reed. The House which had been elected with Harrison contained 159 Democrats and 166 Republicans. The Republican majority was too slight for safety, for the questions which were coming before Congress were such as to arouse party feeling to a high pitch. The Republicans felt themselves commissioned, by a successful election, to put the party program into force, but so powerful a minority could readily block any legislation under the existing parliamentary rules. Only Reed knew what expedient would be resorted to in the attempt to put through the party program, and not even he could guarantee that the adventure would be successful.

Thomas B. Reed had long represented Maine in the House of Representatives. He was a man of huge bulk, bland in appearance, imperturbable in his serenity, caustic, concise and witty of tongue, rough, sharp,

[1] The open character of the financial corruption of the campaign also gave impetus to the movement for the secret or Australian ballot which was first introduced in Louisville, Ky., on Feb. 28, 1888, and in Massachusetts on May 29, of the same year. Another reform movement was that which resulted in the destruction of the Louisiana lottery. Cf. A. K. McClure, *Recollections*, 173–183, and Peck, *Twenty Years*, 215–220.

strong, droll. In the cut-and-thrust of parliamentary debate and manoeuvre, as well as in his knowledge of the intricacies of procedure, Reed was a past master. He worsted his adversaries by turning the laugh on them, and his stinging retorts, which swept the House "like grapeshot," made him a powerful factor in partisan contests.[1]

The political and economic philosophy of Reed and his associates was unusually important, because it controlled their action during the time when they dominated the House and determined the character of the legislation passed during Harrison's time. When President Cleveland's tariff message welded the Democrats together to demand reduction, it likewise influenced the Republicans to adopt the other extreme. That is not to say, of course, that the Republican attitude was due solely to Cleveland, for the party was already committed to protectionism. Nevertheless, many of its prominent leaders, including its presidents, had urged revision. That recommendation was now no longer heard. Such men as McKinley in the House fairly apotheosized the protective system. The philosophy of the party leaders received full exposition in a volume edited by John D. Long, ex-governor of Massachusetts, and composed of articles written by sixteen of the most prominent Republicans. It had been published during the campaign. The attitude of the party toward its chief tenet was expressed in the phrase, "The Republican party enacted a protective tariff which made the United States the greatest manu-

[1] An incident which occurred when he was not speaker may serve to illustrate the manner in which he routed his opponents. Representative Springer, of Illinois, who had a reputation for loquacity and insincerity, once asked for unanimous consent to correct a statement which he had previously made in debate. "No correction needed," shouted Reed. "We didn't think it was so when you made it."

facturing nation on earth''; and its conception of the Democratic party in the statement that the Democrats were mainly old slave-holders, liquor dealers and criminals in the great northern cities. In the field of national expenditure, also, the party reacted from Cleveland's frugality. Senator Dolph frankly urged the expenditure of the surplus revenue rather than the reduction of taxation. McKinley took the position that prices might be too low. ''I do not prize the word cheap,'' he said; ''cheap merchandise means cheap men and cheap men mean a cheap country.'' Harrison remarked that it was ''no time to be weighing the claims of old soldiers with apothecary's scales.'' This philosophy was now to have its trial, but first the obstructive power of the minority must be curbed. Reed's plan for accomplishing this result appeared late in January, 1890.

A contested election case was up for decision in the House. The roll was called and three less than a quorum of representatives answered. Scores of Democrats were present, but by merely refusing to answer to their names they could be officially absent. Unless the Republicans could provide a quorum—that is, more than half the total membership of the chamber—of their own number, they were helpless. Clearly they could not muster their full force at all times and especially on questions upon which the party might be divided. On the other hand, the right to refuse to vote was a long-standing one and had been used over and over again by Republicans as well as Democrats. Reed, however, had made up his mind to cut the Gordian knot. Looking over the House he called the names of about forty Democrats, directed the clerk to make note of them and then declared a quorum present. The meaning of the act was not lost on the op-

position. Pandemonium broke loose. Members rushed up the aisle as if to attack the Speaker, but Reed, huge, fearless and undisturbed, stood his ground. The Democrats hissed and jeered and denounced him with a wrath which was not mollified by the derisive laughter of the Republicans, who were surprised by the ruling, but rallied to their leader. Two days later, when a member moved to adjourn, the Speaker ruled the motion out of order and refused to entertain any appeal from his decision. He then firmly but quietly stated his belief that the will of the majority ought not to be nullified by a minority and that if parliamentary rules were used solely for purposes of delay, it was the duty of the Speaker to take "the proper course."

The rules committee then presented a series of recommendations designed to expedite business. One of the proposed changes provided that the chair should entertain no dilatory motions. Such motions, whose purpose was merely to obstruct action, had long been common. The Republicans were said to have alternated motions to adjourn and to fix a day for adjournment no less than one hundred and twenty-eight times in an attempt to defeat the Kansas-Nebraska bill in 1854. The second rule allowed the speaker to count members who were present and not voting in determining whether a quorum was present. Other rules systematized procedure and facilitated the passage of legislation. The Democrats raged, denounced Reed as a "Czar," fought against the adoption of the rules—all to no avail. The majority had its way; the Speaker dominated legislation.[1]

[1] In his *Manual of General Parliamentary Law*, Reed declared that the House prior to 1890 was the most unwieldy parliamentary body in the world. Three resolute men, he asserted, could stop all public busi-

The efficacy of the Reed reforms in expediting legislation was quickly demonstrated. One of the earliest proposals to pass the House was Henry Cabot Lodge's federal election law, which was intended to insure federal control at polling places. Theoretically the measure was applicable to the North as well as to the South, but no doubt existed that it was really designed to prevent southern suppression of the negro vote. The Democrats rallied to the opposition and denounced Lodge's plan as a "force act." Despite objections it passed the House, but it languished in the Senate and finally was abandoned. The generous expenditure policy which the new philosophy called for brought forth certain increases which were noteworthy. The dependent pension bill which Cleveland had vetoed was passed, and a direct tax which had been levied on the states during the Civil War was refunded. Another extreme party measure was the Sherman silver act which became law on July 14, 1890. By it, 4,500,000 ounces of silver were to be purchased each month. Its partisan character was indicated by the fact that no Republicans voted against it, and no Democrats for it. Since the amount of silver to be purchased was practically the total output of the country, it was evident that the western mine owners were receiving the same attention that was being accorded manufacturers who sought protective tariff laws. Indeed, western Republicans, who were opposed to the high tariff which eastern Republicans favored, were brought to support such legislation only by a bargain through which each side assisted the other in getting what it desired.[1]

ness. A few years later, when the Democrats were in power, they adopted the plans which Reed had so successfully used.

[1] These acts were part of the general financial history of the period and in that connection demand fuller discussion at a later point. Cf. Chap. XV.

The tariff measure which was thus entwined with the silver bill was intended to carry out the pledge made in the party platform. Harrison had early called the attention of Congress to the need of a reduction of the surplus, had urged the passage of a new tariff law and the removal of the tobacco tax which, he declared, would take a burden from an "important agricultural product." The framing of the bill was in the hands of William McKinley, the chairman of the Committee on Ways and Means. McKinley was a thorough-going protectionist whose attitude on the question had already been expressed somewhat as follows: previous Democratic tariffs have brought the country to the brink of financial ruin; without the protective tariff English manufacturers would monopolize American markets; under the protective system the foreign manufacturer largely pays the tax through lessened profits; under protection the American laborer is the best paid, clothed and contented workingman in the world; since it is necessary, then, to preserve protection, the surplus should be reduced by the elimination of the internal revenues; and protective tariff duties should be raised and retained, not gradually lowered and done away with.

The Committee early proceeded to hold public hearings at which testimony was taken, and to which manufacturers came from all over the country to make known what duties they thought they ought to have. The bill which was finally presented to the House proposed a level of duties which was so high that it has generally been considered the extreme of protection. McKinley himself justified the high rates only on the ground that without them the bill could not be passed. With the help of the Reed rules and the western Republicans the McKinley tariff reached the President

and was signed by him on October 1, 1890. It went into effect at once.

The more prominent features of the measure sprang from the tariff creed which had been advocated through the campaign. In order to conciliate the farmers, the protective principle was applied to agricultural products, and tariffs were laid on such articles as cereals, potatoes and flax. On the cheaper grades of wool and woolens and on carpet wools there was a slight rise over even the rates of 1883. On the higher grades of woolen, linen and clothing the increase was marked. The duty on raw sugar was removed and one-half cent per pound retained on the refined product, but domestic sugar producers were given a bounty of two cents a pound in order to protect them against the free importation of the raw material. As the sugar duty had been productive of large amounts of revenue, its remission reduced the surplus by about sixty to seventy millions of dollars. In order to encourage the manufacture of tin-plates, a considerable duty was imposed, which was to cease after 1897 unless domestic production reached specified amounts. As the result of Blaine's urgency, a reciprocity feature was introduced. The usual plan had been to reduce duties on certain products in case concessions to American goods were given by the exporting countries, but in the McKinley act the Senate inserted a novel provision. Instead of being given power to lower duties in case reciprocal reductions were made, the President was authorized to impose duties on certain articles on the free list when the exporting nation levied "unjust or unreasonable" customs charges on American products. It was expected that this plan would be applied to Latin-American countries and would increase our exports to them in return for sugar, molasses, tea, coffee and

hides. In general, the McKinley act was the climax of protection. Under the impetus of President Cleveland's reduction challenge, the Republican party had recoiled to the extreme.

The high rates levied by the new tariff act were quickly reflected in retail prices and caused immediate and wide-spread discontent. The benefits which the farmer had been led to expect did not put in their appearance. Unhappily for McKinley and his associates the congressional elections occurred early in November, scarcely a month after the new law went into effect, and when the dissatisfaction was at its height. The result was a stinging defeat for the Republicans. The 159 Democrats were increased to 235, and the 166 Republicans dwindled to 88. Even in New England the Democrats gained eleven members, in New York eight, and in Iowa five. In Wisconsin not one Republican survived, and among the lost in Ohio was McKinley himself.

Although the Republicans retained control of the Senate after 1890, the Democratic House brought an end for a time to the domination of Reed and the primacy of the lower chamber in the government. Such extreme legislation as had characterized the first half of the Harrison regime stopped abruptly. The rôle played in all this by Harrison himself seems to have been a minor one. Many of his recommendations lacked the solid character of those made by Hayes, Arthur and Cleveland, and he did not make his influence felt in connection with the silver legislation, of which he probably disapproved. It is significant that the one piece of legislation which had the most enduring results was not a partisan act. This act, the Sherman Anti-Trust law, demands attention in detail.

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CHAPTER XI

INDUSTRY AND *LAISSEZ FAIRE*

ABOUT the time the Sherman Anti-trust law was being passed, in 1890, Henry D. Lloyd was writing his book *Wealth Against Commonwealth,* in which occurred a memorable passage:

> A small number of men are obtaining the power to forbid any but themselves to supply the people with fire in nearly every form known to modern life and industry, from matches to locomotives and electricity. They control our hard coal and much of the soft, and stoves, furnaces, and steam and hot-water heaters; the governors on steam-boilers and the boilers; gas and gas-fixtures; natural gas and gas-pipes; electric lighting, and all the appurtenances. You cannot free yourself by changing from electricity to gas, or from the gas of the city to the gas of the fields. If you fly from kerosene to candles, you are still under the ban.

To understand the dangers of the monopolies which Lloyd feared and denounced, it is necessary to know the principal features in the development of American industry from the close of the Civil War to 1890.

It will be remembered that the consolidation of small railroad lines into large systems was accompanied by such advantages to the companies and to the travelling public, as to demonstrate that combination was the inevitable order of the day. The similar integration of small industrial and commercial enterprises took place more slowly between 1870 and 1890, but the process was no less inevitable on that account.

The census of 1890 indicated that the production of manufactured articles had greatly increased since 1870; more capital was engaged; the product was more valuable; and more workmen were employed. Nevertheless the number of establishments which were in operation had shown a considerable decline in many industries. An army of 100,000 employees represented the expansion of the wage-earning force in the iron and steel works, for example, and $270,000,000 the increase in the value of their products; yet the number of establishments engaged showed a shrinkage of nearly fourteen per cent. The workers in the textile mills grew from 275,000 to 512,000, and the capital outlay from $300,000,000 to $750,000,000, but the number of factories declined from 4,790 to 4,114. A cartoon in *Puck* on January 26, 1881, remarked that "the telegraph companies have been consolidated, which in simple language means that Mr. Jay Gould controls every wire in the United States over which a telegram can be sent."

Some of the reasons for the prevalent tendency toward combination were not hard to discover. In the first place, although industrial organizations fought one another with the utmost bitterness, it was in the nature of things for them to combine if threatened by any common foe. Moreover, production on a large scale made possible savings and improvements that were outside the grasp of more modest enterprises; buying and selling large quantities of goods commanded opportunities for profit; waste products could be made use of and costly scientific investigations conducted in order to discover improved methods, overcome difficulties and open new avenues of activity; large salaries and important positions could be offered to men of executive capacity; and expensive

equipment could be purchased and utilized.[1] An effective force which tended to drive industries to combine was the cut-throat competition which prevailed. Herbert Croly in his stimulating book *The Promise of American Life* vividly describes the bitter, warlike character of industrial competition after 1865. Competition was battle to the knife and tomahawk. The leaders were constantly seeking bigger operations, to which the bigger risks only added zest. A company might be making unbelievable profits one year and "skirting" bankruptcy the next. Exciting as all this was, however, the desire for adventure was not as powerful as the desire for profits, and cut-throat competition in industry led as naturally to combination, as rate-wars on the railroads led to pooling agreements.

An important factor in the development of large corporations was the increasing use of the corporation form of industrial organization, as contrasted with the co-partnership plan. If a few men enter a co-partnership, each of them must supply a considerable amount of capital; but if a corporation is formed and stock is sold, the par value of the shares may be placed at a low figure—$100 or less, for example—and thus a large number of persons may be able to establish an industry which is far beyond the financial resources of any individual or small group among them. The corporation, moreover, is relatively permanent, for the death of one stock-holder among many is unimportant as compared with that of one member of a co-

[1] Charles M. Schwab mentions an unusual example. Under the direction of Andrew Carnegie, the wealthy steel magnate, he had a new mill erected, which seemed likely to meet all the demands which would be placed upon it. But in the process of building it Schwab had seen a single way in which it could be improved. Carnegie at once gave orders to have the mill taken down before being used at all, and rebuilt on the improved plan.

partnership. In case of disaster to the enterprise the liability of the stock-holder in a corporation is limited to the amount which he has invested, while any member of a partnership may be legally held for all the debts of the organization. With such advantages in its favor the corporation plan largely dominated the organization of industry.

The most famous example of combination before 1890 was the Standard Oil Company, which was the cause of more litigation, more study and more complaint than any other industrial organization that has ever existed in America. In 1865 Rockefeller & Andrews started an oil-refining business in Cleveland, Ohio. Samuel Andrews was a mechanical genius and he attended to the technical end of the industry; John D. Rockefeller had bargaining capacity, and to him fell the task of buying the crude oil, providing barrels and other materials and selling the product. The firm prospered. H. M. Flagler was taken into the company and a branch was established in New York. In 1870 these three with a few others organized the Standard Oil Company of Ohio, with a capitalization of a million dollars. It controlled not over ten per cent. of the business of oil-refining in the United States at that time. But the oil business was so profitable that capital flowed into it and competition became keen. Rockefeller and some associates, therefore, devised the South Improvement Company of Pennsylvania, a combination of refiners, headed and controlled by the Standard, the purpose of which was to make advantageous arrangements with the railroads for transportation facilities. Early in 1872, a most remarkable contract was signed between the company and the important railroads of the oil country—the Pennsylvania, the New York Central and the Erie.

By it the roads agreed to establish certain freight rates from the crude-oil producing region of western Pennsylvania to such refining and shipping centers as New York, Philadelphia, Baltimore, Pittsburg and Cleveland. From these rates the South Improvement Company was to receive substantial rebates, amounting to forty or fifty per cent. on crude oil and twenty-five to forty-five per cent. on refined. On their side the railroads were promised the entire freight business of the Company, each to have an assured proportion of the traffic, with freedom from rate-cutting competition. All this was the common railroad practice of the times.

But another portion of the contract was not so common. It provided that the roads should give the South Improvement Company rebates on all oil shipped by its competitors and furnish it with full way-bills of all such shipments each day. In other words, the Company was to know exactly the amount of the business of its competitors and with whom it was being done. The contract allowed the roads to make similar rebates with anybody offering an equal amount of traffic, but the likelihood of such an outcome was slender in the extreme. Armed with this powerful weapon, Rockefeller entered upon a campaign to eliminate competition by offering to buy out independent refiners either with cash or with Standard Oil stock, at his estimate of the value of their property. Those who objected to selling were shown that the alliance between the South Improvement Company and the railroads was so strong that they faced the alternative of giving way or being crushed. Of the twenty-six refineries in Cleveland, at least twenty-one yielded. The capacity of the Standard leaped from 1,500 to 10,000 barrels a day and it controlled a fifth of the refining business of

the country. When these facts came to be known in the oil country, the bitter Oil War of 1872 began. Independent producers joined to fight for existence, and at length the railroads gave way and agreed to abandon the contract with the South Improvement Company, and the legislature of Pennsylvania annulled its charter, although in one way or another rebates continued and the absorption of rivals went on. In 1882 the entire combination—thirty-nine refiners, controlling ninety to ninety-five per cent. of the product—was organized as the Standard Oil Trust. All stock-holders in the combining companies surrendered their certificates and received in return receipts or "trust-certificates," which showed the amount of the owner's interest in the trust. In order to secure unity of purpose and management, the affairs of the combination were put into the hands of nine trustees, with Rockefeller at the head.

The wonderful success of the Standard Oil Company, however, was not due solely to the alliance with the railroads, although this advantage came at a strategic time when it was fighting for supremacy. Its marketing department gave it an unenviable reputation, but achieved amazing success. The department was organized to cover the country, find out everything possible about competitors, and then kill them off by price-cutting or other means. The great resources of the Company enabled it to undersell rivals, going below cost if necessary, and thus wearing out opposition. Continuity of control, also, contributed to Standard success; the narrow limits of the area in which the crude oil was produced before 1890 rendered the problem of securing a monopoly somewhat easier; the organization was extremely efficient and the constituent companies were stimulated to a high degree of

productivity by encouraging the spirit of emulation; men of ability were called to its high positions; the policy of gaining the mastery over the trade in petroleum and its products was kept definitely and persistently to the front; and then there was John D. Rockefeller.

Rockefeller was what used to be called a "self-made" man. He began his business life in Cleveland as a clerk at an extremely modest salary. Capacity for details and for shrewd bargaining, patience, frugality, seriousness, secretiveness, caution, an instinctive sense for business openings, self-control—all these were characteristic both of the Cleveland clerk and the later oil-refiner. In the bigger field he developed a daring caution, a quick understanding of the value of new inventions, a capacity for organization, quick grasp of essentials and a resourcefulness that dominated the entire Standard combination. He built his own barrels, owned the pipe-lines, tank-cars, tank-wagons and warehouses. Consolidation, magnitude and financial returns were his aims, and in achieving these he and his associates were so successful as to make the Standard a leader in all branches of business, except the ethics of industry. Litigation has been the constant accompaniment of Standard progress.

Following the Standard Oil Company, other combinations found the trust form of organization a convenient one. The cotton trust, the whiskey trust, and the sugar, cotton bagging, copper and salt trusts made the public familiar with the term. Moreover, popular suspicion and hostility became aroused, and the word "trust" began to acquire something of the unpleasant connotation which it later possessed.

Although it was upon the Standard Oil Company

that people turned when they denounced the trusts and feared or condemned their practices, the principles to which the Standard adhered when under the strain of competition were the practices which were followed by their contemporaries, both big and little. When the Diamond Match Company, for example, was before the Courts of Michigan in 1889, it appeared that the organization was built up for the purpose of controlling the manufacture and trade in matches in the United States and Canada. Its policy was to buy up and "remove" competition, so that it might monopolize the manufacture and sale of matches. It could then fix the price of its commodity at such a point that it could recoup itself for the expense of eliminating competitors and also make larger profits than were possible when its rivals were active.

Still more dangerous was the combination of the hard coal operators. By 1873, six corporations owned both the hard coal deposits of Pennsylvania and the railroads which made it possible to haul the coal out to the markets. In the same year and later these companies made agreements which determined the amounts of coal that they would mine, the price which they would charge, and the proportion of the whole output that each company would be allowed to handle. Independent operators—that is, operators not in the combination—found their existence precarious in the extreme, for their means of transportation was in the hands of the six coal-carrying railroads, who could raise rates almost at will and find reasons even for refusing service. The states were powerless to remedy the situation because their authority did not extend to interstate commerce, yet it was intolerable for a small group of interested parties to have power to fix the output of so necessary a commodity as coal,

on no other basis than that provided by their own desires.

Other abuses appeared which showed that industrial combinations were open to many of the complaints which, in connection with the railroads, had led to the Interstate Commerce Act. Industrial pools resembled railroad pools and were objected to for similar reasons. Bankers and others who organized combinations were given returns that seemed as extravagant as the prices paid to railroad construction companies; the issues of the stock of corporations were bought and sold by their own officers for speculative purposes; and stock-watering was as common as in railroading. The industrial combinations also had somewhat the same effect on politics that the railroads had. Lloyd declared that the Standard Oil Company had done everything with the Pennsylvania legislature except refine it.

One of the most noted cases of corporation influence in politics was that of the election of Senator Henry B. Payne of Ohio. In 1886 the legislature of the state requested the United States Senate to investigate the election of Payne because of charges of Standard Oil influence. The debate over the case showed clearly the belief on the part of many that the Standard, which controlled "business, railroads, men and things" was also choosing United States senators. Senator Hoar raised the question whether the Standard was represented in the Senate and even in the Cabinet. In denying any connection with the Oil Company, Payne himself declared that no institution or association had been "to so large an expense in money" to accomplish his defeat when he was a candidate for election to the lower house. Popular suspicion seemed confirmed, therefore, that the Company was taking an

active share in government. Whether the trust was for or against Payne made little difference.

A complaint that brought the trust problem to the attention of many who were not interested in its other aspects was the treatment accorded independent producers. The rough-shod methods employed by the Standard Oil Company, the Diamond Match Company and the coal operators were concretely illustrated in many a city and town by such incidents as that of a Pennsylvania butcher mentioned by Lloyd. An agent of the great meat-slaughtering firms ordered the butcher to cease slaughtering cattle, and when he refused the agent informed him that his business would be destroyed. He then found himself unable to buy any meat whatever from Chicago, the meat-packing center, and discovered that the railroad would not furnish cars to transport his supplies. Faced by such overwhelming force, the independent producer was generally compelled to give way to the demands of the big concerns or be driven to the wall. The helplessness of the individual under such conditions was strikingly expressed by Mr. Justice Harlan of the Supreme Court in a decision in a suit against the Standard Oil Company:

> All who recall the condition of the country in 1890 will remember that there was everywhere, among the people generally, a deep feeling of unrest. The Nation had been rid of human slavery . . . but the conviction was universal that the country was in real danger from another kind of slavery sought to be fastened on the American people, namely, the slavery that would result from aggregations of capital in the hands of a few . . . controlling, for their own . . . advantage exclusively, the entire business of the country, including the production and sale of the necessaries of life.

Observers noted that fortunes which outstripped the

possessions of princes were being amassed for the few by combinations which sometimes, if not frequently, resorted to illegal and unfair practices, and they compared these conditions with the labor unrest, the discontent and the poverty which was the lot of the many.

In the meanwhile there had arisen a growing demand for action which would give relief from the conditions just described. As early as 1879 the Hepburn committee appointed by the New York Assembly had investigated the railroads and had made public a mass of information concerning the relation of the transportation system to the industrial combinations. In 1880 Henry George had published *Progress and Poverty* in which he had contended that the entire burden of taxation should be laid upon land values, in order to overcome the advantage which the ownership of land gave to monopoly. In 1881 Henry D. Lloyd had fired his first volley, "The Story of a Great Monopoly," an attack on the Standard Oil Company which was published in the *Atlantic Monthly* and which caused that number of the periodical to go through seven editions.[1] In 1888 Edward Bellamy's *Looking Backward* had pictured a socialized Utopian state in which the luxuries as well as the necessities of life were produced for the common benefit of all the people. Societies had been formed for the propagation of Bellamy's ideas, and the parlor study of socialism had become popular.

The platforms of the political parties had given evidence of a continuing unrest without presenting any definite proposals for relief. As far back as 1872 the Labor Reformers had condemned the "capitalists"

[1] It was not until 1894 that Lloyd published *Wealth Against Commonwealth,* but his pen had been busy constantly between 1881 and 1894.

for importing Chinese laborers; in the same year the Republicans and Democrats had opposed further grants of public land to corporations and monopolies —referring in the main to the railroads; in 1880 the Greenbackers and in 1884 the Anti-Monopolists, the Prohibitionists and the Democrats had denounced the corporations and called for government action to prevent or control them; and in 1888 the Union Labor party, the Prohibitionists and the Republicans had urged legislation for doing away with or regulating trusts and monopolies. By 1890 eight states had already passed anti-trust laws. Among unorganized forces, possibly the independent producers were as effective as any. Although usually overcome by the superior strength of their big opponents, they frequently conducted vigorous contests and sometimes carried the issue to the courts where damaging evidence was made public.

The solution of the problem of trust control was not easy to discover. The amount of property involved was so great that forceful legislation would be fought to the last ditch; while legislation that was obviously weak, on the other hand, would not satisfy public opinion. Public officials were hopelessly divergent in their views. Cleveland had called attention to the evils of the trusts in his tariff message of 1887, but had laid his emphasis on the need of reduced taxation rather than upon control of the great combinations. Blaine was opposed to federal action. Thomas B. Reed had characteristically ridiculed the idea that monopolies existed:

> And yet, outside the Patent Office there are no monopolies in this country, and there never can be. Ah, but what is that I see on the far horizon's edge, with tongue of lambent flame and eye of forked fire, serpent-headed and griffin-clawed?

Surely it must be the great new chimera "Trust." Quick, cries every masked member of the Ways and Means. Quick, let us lower the tariff. Let us call in the British. Let them save our devastated homes.

More serious was the almost universal lack of knowledge of the elements involved in the situation. Industrial leaders were unenlightened and wrapped up in the attempt to outdo rivals who were equally unenlightened and absorbed; the nation needed instruction and leadership, and neither was to be found. Instead, the poorer classes became more and more hostile to big business interests; the capitalist class set itself stolidly to the preservation of its interests. The one saw only the abuses, the other only the benefits of combinations. Thoughtful men felt that industrialism was afflicted with a malady which would kill the nation unless a remedy were found.

The legal and constitutional position of the trusts was almost impregnable. Ever since the decision of the Supreme Court in the Dartmouth College case, handed down in 1819, franchises and charters granted by states to corporations had been regarded as contracts which could not be altered by subsequent legislation. Moreover, the Court had so interpreted the Fourteenth Amendment, as has been seen, that the states had found great difficulty in framing regulatory legislation that would pass muster before the judiciary.[1] It was doubtful whether federal attempts at regulation would be more fortunate. More fundamental still, for public opinion underlies even constitutional interpretation, American industrial and commercial expansion had run ahead of our conception of the possible and proper functions of government.

[1] Cf. above, pp. 89–93, on Fourteenth Amendment.

Government as the protector of property was an ancient concept and commonly held in the United States; government as the guardian of the individual against the powerful holder of a great deal of property was a new idea and not generally looked upon with favor.

It has already been seen that the prevailing economic theory, *laissez faire,* was diametrically opposed to government regulation of the economic activities of the individual. According to this view, unrestricted industrial liberty would result in adjustment by business itself on honorable lines. Men whose integrity was such that they were in control of great enterprises, asserted an attorney for the Standard Oil Company, would be the first to realize that a fair policy toward competitors and the public was the most successful policy. Combination was declared to be inevitable in modern life and reductions in the price of many commodities were pointed to as a justification for leaving the trusts unhampered.

Public opinion, however, was reaching the point where it was prepared to brush aside theoretical difficulties. President Harrison, Senator Sherman and others urged action. Large numbers of anti-monopoly bills were presented in Congress. The indifference of some members and the opposition of others was somewhat neutralized by the fiery zeal of such men as Senator Jones of Arkansas, who declared that the fortunes made by the Standard Oil Company did not represent a single dollar of honest toil or one trace of benefit to mankind. "The sugar trust," declared the senator, "has its 'long, felonious fingers' at this moment in every man's pocket in the United States, deftly extracting with the same audacity the pennies from the pockets of the poor and the dollars from the pockets of the rich."

After much study of the mass of suggested legislation, Congress relied upon its constitutional power to regulate commerce among the several states and passed the Sherman Anti-trust Act, which received President Harrison's signature on July 2, 1890. Its most significant portions are the following:

Sec. 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is . . . illegal.

Sec. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other such person . . . to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of misdemeanor.

The purpose of the framers of the Act seems clearly to have been to draw up a general measure whose terms should be those usual in the English common law and then rest on the assurance that the courts would interpret its meaning in the light of former practice. For some centuries restraint of trade had been considered illegal in England, but no contract was held to be contrary to law if it provided only a *reasonable* restraint—that is, if the restraint was merely minor and subsidiary. The Sherman act was a Senate measure, was presented from the Judiciary Committee and was passed precisely as drawn up by it. In speaking from the Committee, both Edmunds and Hoar took the attitude which the latter expressed as follows: "The great thing that this bill does, . . . is to extend the common-law principles, which protected fair competition . . . in England, to international and interstate commerce in the United States." Just how far the members of Congress who were not

on the Judiciary Committee of the Senate shared in this view or really understood the bill can not be said. Indeed, many members of both chambers absented themselves when the bill came to a vote.[1]

For a long time the Sherman Act like the Interstate Commerce Act was singularly ineffective and futile. Trusts were nominally dissolved, but the separate parts were conducted under a common and uniform policy by the same board of managers. The Standard Oil Company changed its form by selecting the Standard Oil Company of New Jersey as a "holding corporation." Stock of the members of the combination was exchanged for stock in the New Jersey organization, leaving control in the same hands as before. The "same business was carried on in the same way but 'under a new sign.'" The wide variety of conditions tolerated under the corporation laws of the several states made confusion worse confounded. In its early attempts to convict corporations of violation of the law, the government was uniformly defeated.

In 1893 came the climax of futility. The American Sugar Refining Company had purchased refineries in Philadelphia which enabled it to control, with its other plants, ninety-eight per cent. of the refining business in the country. The government asked the courts to cancel the purchase on the ground that it was con-

[1] The authorship of the Sherman law has often been a source of controversy. Senator John Sherman, as well as other members, introduced anti-trust bills in the Senate in 1888. Senator Sherman's proposal was later referred to the Judiciary Committee, of which he was not a member. The Committee thoroughly revised it. Senator Hoar, who was on the Committee, thought he remembered having written it word for word as it was adopted. Recent investigation seems to prove that the senator's recollection was faulty and that Edmunds wrote most of it, while Hoar, Ingalls and George wrote a section each and Evarts part of a sentence. If this is the fact, it seems most nearly accurate to say that Sherman started the enterprise and that almost every member of the Judiciary committee, especially Edmunds, shared in its completion.

trary to the Sherman law, and to order the return of the properties to their former owners. The Supreme Court declared that the mere purchase of sugar refineries was not an act of interstate commerce and that it could not be said to restrain such trade, and it refused to grant the request of the government. Unhappily the prosecuting officers of the Attorney-General's office had drawn up their case badly, making their complaint the purchase, not the resulting restraint. No direct evidence was presented to show that interstate commerce in sugar and the control of the sugar business and of prices were the chief objects of the combination. To the public it seemed that the corporations were impregnable, for even the United States government could not control them.

BIBLIOGRAPHICAL NOTE

The early history of anti-trust agitation centers about Henry D. Lloyd. His earliest article, "The Story of a Great Monopoly," is in *The Atlantic Monthly* (Mar., 1881); his classic account of trust abuses is *Wealth against Commonwealth* (1894); consult also C. A. Lloyd, *Henry D. Lloyd* (2 vols., 1912). Early and valuable articles in periodicals are in *Political Science Quarterly,* 1888, pp. 78–98; 1889, pp. 296–319; W. Z. Ripley, *Trusts, Pools, and Corporations* (rev. ed., 1916), is useful; B. J. Hendrick, *Age of Big Business* (1919), is interesting and contains a bibliography. Ida M. Tarbell, *History of the Standard Oil Company* (2 vols., 1904), is carefully done and a pioneer work. Other valuable accounts are: S. C. T. Dodd, *Trusts* (1900), by a former Standard Oil attorney; Eliot Jones, *The Anthracite Coal Combination in the United States* (1914); J. W. Jenks, *Trust Problem* (1900), contains a summary of the economies of large scale production; J. W. Jenks and W. E. Clark, *The Trust Problem* (4th ed., 1917), is scholarly and complete; J. D. Rockefeller, *Random Reminiscences of Men and Events* (1916), is a brief defence of

the Standard Oil Company; W. H. Taft, *Anti-Trust Act and the Supreme Court* (1914), summarizes a few important decisions on the Sherman law. Edward Bellamy, *Looking Backward* (1888), describes an economic Utopia. Early proposed anti-trust laws, together with the Congressional debates on the subject are in *Senate Documents,* 57th Congress, 2nd session, vol. 14, No. 147 (Serial Number 4428). No complete historical study has yet been made of the effects of industrial development, immediately after the Civil War, on politics and the structure of American society.

CHAPTER XII

DEMOCRATIC DEMORALIZATION

IN view of the fact that Harrison had been successful in 1888 and that Cleveland had been the most able Democratic leader since the Civil War, it seemed natural that their parties should renominate them in 1892. Yet the men at the oars in the Republican organization were far from enthusiastic over their leader. It is probable that Harrison did not like the rôle of dispenser of patronage and that he indicated the fact in dealing with his party associates; at any rate, he estranged such powerful leaders as Platt, Quay and Reed by his neglect of them in disposing of appointments. The reformers were no better satisfied; much had been expected of him because his party had taken so definite a stand in 1888, and when his choice of subordinates failed to meet expectations, the scorn of the Independents found forceful vent. Among the rank and file of his party, Harrison had aroused respect but no great enthusiasm.

The friends of Blaine were still numerous and active, and they wished to see their favorite in the executive chair. Perhaps Blaine felt that there would be some impropriety in his becoming an active candidate against his chief, while remaining at his post as Secretary of State; at any rate he notified the chairman of the National Republican Committee, early in 1892, that he was not a candidate for the nomination. The demand for him, nevertheless, continued and relations

between him and Harrison seem to have become strained. Senator Cullom, writing nearly twenty years afterward, related a conversation which he had had with Harrison at the time. In substance, according to the senator, the President declared that he had been doing the work of the Department of State himself for a year or more, and that Blaine had given out reports of what was being done and had taken the credit himself. Cullom's recollection seems to have been accurate, at least as far as relations between the two men were concerned, for three days before the meeting of the Republican nominating convention Blaine sent a curt note to the President resigning his office without giving any reason, and asking that his withdrawal take effect immediately. The President's reply accepting the resignation was equally cool and uninforming. If Blaine expected to take any steps to gain the nomination, the available time was far too short. That the act would be interpreted as hostile to the interests of Harrison, however, admitted of no doubt, and it therefore seems probable that Blaine had changed his mind at a late day and really hoped that the party might choose him.[1]

Despite Blaine's apparent change of purpose, it seemed necessary to renominate Harrison in order to avoid the appearance of discrediting his administration, and on the first ballot Harrison received 535 votes to Blaine's 183 and was nominated. The only approach to excitement was over the currency plank in the platform. Western delegates demanded the free coinage of silver, which the East opposed. The plank adopted declared that

> The Republican party demands the use of both gold and

[1] Blaine died on Jan. 27, 1893.

silver as standard money, with such restrictions and under such provisions, to be determined by legislation, as will secure the maintenance of the parity of values of the two metals.

It was a meaningless compromise, but it seems to have satisfied both sides.

Cleveland, during the Harrison administration, had been an object of much interest and not a little speculation. After seeing President Harrison safely installed in office, he went to New York city where he engaged in the practice of law. He himself thought that he was retiring permanently and not a few enemies were quite willing that this should be the case. The eminent Democratic editor, Henry Watterson, remarked that Cleveland in New York was like a stone thrown into a river, "There is a 'plunk,' a splash, and then silence." He was constantly invited, nevertheless, to address public assemblies, which provided ample opportunity for him to express his thoughts to the country. Moreover, the McKinley Act of 1890 and the political reversal which followed brought renewed attention to the tariff message of 1887 and to its author. In February, 1891, Cleveland was asked to address a meeting of New York business men which had been called by the Reform Club to express opposition to the free coinage of silver. The question of the increased use of silver as a circulating medium, as has been seen, was a controverted one; neither party was prepared to take a definite stand, and, indeed, division of opinion had taken place on sectional rather than partisan lines. While the subject was in this unsettled condition Cleveland received his invitation to the Reform Club, and was urged by some of his advisors not to endanger his chances of renomination by taking sides on the issue. The counsel had no more effect than similar advice had produced in 1887 when the

tariff was in the same unsettled condition. Although unable to attend, Cleveland wrote a letter in which he characterized the experiment of free coinage as "dangerous and reckless." Whether right or wrong, he was definite; people who could not understand the intricacies of currency standards and the arguments of the experts understood exactly what Cleveland meant. Little doubt now existed but that the name of the ex-president would be a powerful one before the nominating convention, for he would have the populous East with him on the currency issue—unless David B. Hill should upset expectations.

Hill was an example of the shrewd politician. Like Platt, whom he resembled in many ways, he was absorbed in the machinery and organization of politics, rather than in issues and policies. Beginning in 1870, when he was but twenty-seven years of age, he had held public office almost continuously. In the state assembly, as Mayor of Elmira, as Lieutenant-Governor with Cleveland and later as Governor, he developed an unrivalled knowledge of New York as a political arena. In 1892 he was at the height of his power and the presidency seemed to be within his grasp. The methods which he used were typical of the man—the manipulation of the machinery of nomination.

The national Democratic nominating convention was called for June 21, but the New York state Democratic committee announced that the state convention for the choice of delegates would meet on February 22. So early a meeting, four months before the national convention, was unprecedented, and at once it became clear that a purpose lay behind the call. It was to procure the election of members to the state convention who would vote for Hill delegates to the nominating convention, before Cleveland's supporters could

organize in opposition. Furthermore, it was expected that the action of New York would influence other states where sentiment for Cleveland was not strong. Hill's plan worked out as he had expected—at least in so far as the state convention was concerned—for delegates pledged to him were chosen. Cleveland's supporters, however, denounced the "snap convention" and a factional quarrel arose between the "snappers" and the "anti-snappers"; outside of New York it was so obvious that the snap convention was a mere political trick that the Hill cause was scarcely benefited by it. Delegates were chosen in other parts of the country who desired the nomination of Cleveland.

The convention met in Chicago on June 21 and proceeded at once to adopt a platform of principles. The silver plank was hardly distinguishable from that of the Republicans, except that it was enshrouded with a trifle more of ambiguity. The adoption of a tariff plank elicited considerable difference of opinion, but the final result was an extreme statement of Democratic belief. Instead of adopting the cautious position taken in 1884, the convention declared that the constitutional power of the federal government was limited to the collection of tariff duties for purposes of revenue only, and denounced the McKinley act as the "culminating atrocity of class legislation."

Although it was evident when the convention met, that the chances of Hill for the nomination were slight indeed, the battle was far from over. Hill was a "straight" party man, a fact which he reiterated again and again in his famous remark, "I am a Democrat." Cleveland was not strictly regular, a fact which Hill apparently intended to emphasize by constant reference to his own beliefs. The oratorical champion of the Hill delegation was Bourke Cockran, an able and

appealing stump speaker. For two hours he urged that Cleveland could not carry the pivotal state, New York, and that it was folly to attempt to elect a man who was so handicapped. Eloquence, however, was of no avail. The first ballot showed that the Hill strength was practically confined to New York, and Cleveland was easily the party choice. For the vice-presidency Adlai E. Stevenson, a partisan of the old school, was chosen.

Among the smaller parties there appeared for the first time the "People's Party," later and better known as the "Populists." Their nominee was James B. Weaver, who had led the Greenbackers in 1880. Their platform emphasized the economic burdens under which the poorer classes were laboring and listed a series of extremely definite demands.

The campaign was a quiet one as both Cleveland and Harrison had been tried out before. So unenthusiastic were the usual political leaders that Colonel Robert G. Ingersoll declared that each party would like to beat the other without electing its own candidates. Although the financial issue was kept in the background, the tariff was fought out again somewhat as it had been in 1888. The New York *Sun* shed some asperity over the contest by calling the friends of Cleveland "the adorers of fat witted mediocrity," and the nominee himself as the "perpetual candidate" and the "stuffed prophet"; and then added a ray of humor by advocating the election of Cleveland. The adoption of the Australian ballot, before the election, in thirty-four states and territories constituted an important reform; thereafter it was impossible for "blocks of five" to march to the polls and deposit their ballots within the sight of the purchaser. The Homestead strike near Pittsburg, Pennsylvania, somewhat aided

the Democrats. The Carnegie Steel Company, having reduced wages, precipitated a strike which was settled only through the use of the state militia. As the steel industry was highly protected by the tariff, it appeared that the wages of the laboring man were not so happily affected as Republican orators had been asserting.[1]

The result of the election was astonishing. Cleveland carried not merely the South but Connecticut, New York, New Jersey, Indiana, Illinois, Wisconsin and California, while five of Michigan's fourteen electoral votes and one of Ohio's twenty-three went to him. In the last-named state, which had never gone against the Republicans, their vote exceeded that of the Democrats by only 1,072. For the first time since Buchanan's day, both Senate and House were to be Democratic. More surprising and more significant for the future, was the strength of the People's Party. Over a million ballots, twenty-two electoral votes, two senators and eleven representatives were included among their trophies. It was an important fact, moreover, that twenty-nine out of every thirty votes cast for the People's Party were cast west of Pennsylvania and south of Maryland. Something apparently was happening, in which the East was not a sharer. The politician, particularly in the East, was quite content to dismiss the Populists as "born-tired theorists," "quacks," "a clamoring brood of political rainmakers," and "stump electricians," but the student of politics and history must appraise the movement less provincially and with more information.

It was in the nature of things that the Populist movement should come out of the West. From the days of Clay and Jackson the westerner had been characterized by his self-confidence, his assertiveness and

[1] Below, p. 320, for an account of the strike as an industrial dispute.

his energy. He had possessed unlimited confidence in ordinary humanity, been less inclined to heed authority and more ready to disregard precedents and experience. He had expressed his ideals concretely, and with vigor and assurance. He had broken an empire to the plow, suffered severely from the buffetings of nature and had gradually worked out his list of grievances. One or another of his complaints had been presented before 1892 in the platforms of uninfluential third parties, but not until that year did the dissenting movement reach large proportions.

It has already been seen that the people of the West were in revolt against the management of the railroads. They saw roads going bankrupt, to be sure, but the owners were making fortunes; they knew that lawyers were being corrupted with free passes and the state legislatures manipulated by lobbyists; and they believed that rates were extortionate. The seizure and purchase of public land, sometimes contrary to the letter of the law, more often contrary to its spirit, was looked upon as an intolerable evil. Moreover, the westerner was in debt. He had borrowed from the East to buy his farm and his machinery and to make both ends meet in years when the crops failed. In 1889 it was estimated that seventy-five per cent. of the farms of Dakota were mortgaged to a total of $50,000,000. Boston and other cities had scores of agencies for the negotiation of western farm loans; Philadelphia alone was said to absorb $15,000,000 annually. The advantage to the West, if conditions were right, is too manifest to need explanation. But sometimes the over-optimistic farmer borrowed too heavily; sometimes the rates demanded of the needy westerners were usurious; often it seemed as if interest charges were like "a mammoth sponge," constantly ab-

sorbing the labor of the husbandman. The demand of the West for a greater currency supply has already been seen, for it appeared in the platforms of minor parties immediately after the Civil War. Sometimes it seemed as if nature, also, had entered a conspiracy to increase the hardships of the farmer. During the eighties a series of rainy years in the more arid parts of the plains encouraged the idea that the rain belt was moving westward, and farmers took up land beyond the line where adequate moisture could be relied upon. Then came drier years; the corn withered to dry stalks; farms were more heavily mortgaged or even abandoned; and discontent in the West grew fast.

The complaints of the westerner naturally found expression in the agricultural organizations which already existed in many parts of the country. The Grange had attacked some of the farmer's problems, but interest in it as a political agency had died out. The National Farmers' Alliance of 1880 and the National Farmers' Alliance and Industrial Union somewhat later were both preceded and followed by many smaller societies. Altogether their combined membership began to mount into the millions. When, therefore, the Alliances began to turn away from the mere discussion of agricultural grievances and toward the betterment of conditions by means of legislation, and when their principles began to be taken up by discontented labor organizations, it looked as if they might constitute a force to be reckoned with.

The remedies which the Alliances suggested for current ills were definite. Fundamentally they believed that the government, state and federal, could remedy the economic distresses of the people and that it ought to do so. At the present day such a suggestion seems

commonplace enough, but in the eighties the dominant theory was individualism—each man for himself and let economic law remedy injustices—and the Alliance program seemed like dreaded "socialism." The counterpart of the demand for larger governmental activity was a call for the greater participation of the people in the operation of the machinery of legislation. This lay back of the demand for the initiative, the referendum, and the popular election of senators. Currency ills could be remedied, the farmers believed, by a national currency which should be issued by the federal government only—not by national banks. They desired the free coinage of silver and gold until the amount in circulation should reach fifty dollars per capita. Lesser recommendations were for an income tax and postal savings banks. In relation to the transportation system, they declared that "the time has come when the railroad corporations will either own the people or the people must own the railroads." In order to prevent the waste of the public land and to stop its being held for speculative purposes, they urged that none be allowed to remain in the hands of aliens and that all be taken away from the railroads and corporations which was in excess of actual needs.

The power of the new movement first became evident in 1890 and distinctly disturbed both the Republican and the Democratic leaders. Determined to right their wrongs, the farmers deserted their parties in thousands, flocked to conventions and crowded the country schoolhouses for the discussion of methods and men. Perhaps it was true, as one of their critics asserted, that they put a "gill of fact and grievance into a gallon of falsehood and lurid declamation" so as to make an "intoxicating mixture." If so, the mixture took immediate effect. Alliance governors were elected

in several southern states; many state legislatures in the South and West had strong farmer delegations; and several congressmen and senators were sent to Washington. Success in 1890 made the Alliances jubilant and they looked to the possibility of a country-wide political organization and a share in the campaign of 1892. The first national convention was held in Omaha in July, 1892, at which many of the farmers' organizations together with the Knights of Labor and other groups were represented. The name "People's party" was adopted, the principles just mentioned were set forth in a platform and candidates nominated. In the ensuing election the party exhibited the surprising strength which has been seen.

It has taken more time to describe the Populist movement than its degree of success in 1892 would justify. But it deserves attention for a variety of reasons. Its reform demands were important; it was a striking indication of sectional economic interests; it gave evidence of an effective participation in politics by the small farmers, the mechanics and the less well-to-do professional people—the "middle class," in a word; it was a long step toward an expansion of the activities of the central government in the fields of economic and social legislation; and finally it emphasized the significance of the West, as a constructive force in American life. If the Populists should capture one of the other parties or be captured by it, nobody could foresee what the results would be on American political history.

The second administration of Grover Cleveland, from 1893 to 1897, was the most important period of four years for half a century after the Civil War. For twenty-five years after 1865 American politicians had been sowing the wind. Issues had rarely been

met man-fashion, in direct combat; instead, they had been evaded, stated with skilful ambiguity, or beclouded with ignorance and prejudice. Politics had been concerned with the offices—the plunder of government. It could not be that the whirlwind would never be reaped.

The situation in 1893 was one that might well have shaken the stoutest heart. International difficulties were in sight that threatened unusual dangers; labor troubles of unprecedented complexity and importance were at hand; the question of the currency remained unsettled, the treasury was in a critical condition, and an industrial panic had already begun. Each of these difficulties will demand detailed discussion at a later point.[1]

To no small degree, the settlement of the political and economic issues before the country was complicated by the unmistakable drift toward sectionalism, and by the particular characteristics of the President. If the administration pressed a tariff reduction policy, it would please the South and West but bring hostility in the East. The demands of the West, so far as the Populists represented them, were for the increased use of the powers of the federal government and the application of those powers to social and economic problems; but the party in power was traditionally attached to the doctrine of restricted activity on the part of the central authority. The sectional aspects of the silver question were notorious; and only the eastern Democrats fully supported their leader in his stand on the issue.

The personal characteristics of President Cleveland have already appeared.[2] He had a burdensome con-

[1] Below, Chaps. XIII, XIV, XV.
[2] Above, Chap. VIII.

sciousness of his own individual duty to conduct the business of his office with faithfulness; a courageous sense of justice which impelled him to fight valiantly for a cause that he deemed right, however unimportant or hopeless the cause might be; a reformer's contempt for hypocrisy and shams, and a blunt directness in freeing his mind about wrong of every kind. He had the faults of his virtues, likewise. Sure of himself and of the right of his position, he had the impatience of an unimaginative man with any other point of view; he was intransigeant, unyielding, rarely giving way a step even to take two forward. It seems likely that his political experience had accentuated this characteristic. For years he had thrown aside the advice of his counsellors and had shown himself more nearly right than they. As Mayor of Buffalo he had used the veto and had been made Governor of the state; as Governor he had ruggedly made enemies and had become President; as President he had flown in the face of caution with his tariff message and his Reform Club letter and had three times received a larger popular vote than his competitor. And each time his plurality was greater than it had been before. If he tended to become over-sure of himself, it should hardly occasion surprise. Furthermore he looked upon the duties and possibilities of the presidential office as fixed and stationary, rather than elastic and developing. He was a strict constructionist and a rigid believer in the checks and balances of the Constitution. Although constantly aware of the needs and rights of the common people, such as composed the Populist movement, his adherence to strict construction was so complete that he was unable to advocate much of the federal legislation desired by them. It was only with hesitation and constitutional doubts, for example, that

he had been able to sign even the Interstate Commerce Act. In brief, then, the western demand for social and economic legislation on a novel and unusual scale was to take its chances with an honest, dogged believer in a restricted federal authority.

The experience of the administration with the patronage question illustrates how much progress had been made in the direction of reform since the beginning of Cleveland's first term in 1885. In the earlier year it had required a bitter contest to make even the slightest advance; in his second term he retained Roosevelt, a Republican reformer, on the Commission and gradually extended the rules so as to cover the government printing office, the internal revenue service, the pension agencies, and messengers and other minor officials in the departments in Washington. Finally on May 6, 1896, he approved an order revising the rules, simplifying them and extending them to great numbers of places not hitherto included, "the most valuable addition ever made at one stroke to the competitive service." The net result was that the number of positions in the classified service was more than doubled between 1893 and 1897, making a total of 81,889 in a service of somewhat over 200,000.[1] By the latter year the argument against reform had largely been silenced. The dismal prediction of opponents who had feared the establishment of an office-holding aristocracy had turned out to have no foundation. Agreement was widespread that the government service was greatly improved. There were still branches of the service

[1] The sweeping reform order of Cleveland late in his second term illustrated the most common and effective method of making advance. Late in his administration the President adds to the classified service: his successor withdraws part of the additions, but more than makes up at the end of his term,—a sort of two steps forward and one backward process.

for the reformers to work upon but the great fight was over and won.[1]

Although the Democrats came into power in 1893 largely on the tariff issue, Cleveland felt that the most urgent need at the beginning of the administration was the repeal of the part of the Sherman silver law that provided for the purchase of 4,500,000 ounces of silver each month. The financial and monetary aspects of this controversy demand relation at another point.[2] Politically its results were important. Western and southern Democrats, friendly to silver, fought bitterly against the repeal, and became thoroughly hostile to Cleveland whom they began to distrust as allied to the "money-power" of the East. At the time, then, when the President was most in need of united partisan support, he found his party crumbling into factions.

Other circumstances which have been mentioned combined to make the time inauspicious for a revision of the tariff—the slight Democratic majority in the Senate, the deficit caused by rising expenditure and falling revenue, the imminent industrial panic and the prevailing labor unrest. Nevertheless it seemed necessary to make the attempt. If the results of the election of 1892 meant anything, they meant that the Democrats were commissioned to revise the tariff.

The chairman of the House Committee on Ways and Means was William L. Wilson, a sincere and well-read tariff reformer who had been a lawyer and a college president, in addition to taking a practical interest in

[1] Cleveland's second cabinet was composed of the following: W. Q. Gresham, Ill., Secretary of State; J. G. Carlisle, Ky., Secretary of the Treasury; D. S. Lamont, N. Y., Secretary of War; R. Olney, Mass., Attorney-General; W. S. Bissell, N. Y., Postmaster-General; H. A. Herbert, Ala., Secretary of the Navy; Hoke Smith, Ga., Secretary of the Interior; J. S. Morton, Neb., Secretary of Agriculture.

[2] Below, pp. 336–340.

politics. The measure which he presented to the House on December 19, 1893, was not a radical proposal, but it provided for considerable tariff reductions and a tax on incomes over $4,000. There was a slight defection in party support, but it was unimportant because of the large majority which the Democrats possessed, and the bill passed the House without unusual difficulty.

In the Senate a different situation presented itself. The Democratic majority over the Republicans, provided the Populists voted with the former, was only nine; and in case the Populists became disaffected, the Democrats could outvote the opposition only by the narrow margin of three, even if every member remained with his party. Such a degree of unanimity, in the face of prevailing conditions, was extremely unlikely. The Louisiana senators were insistent upon protection for their sugar; Maryland, West Virginia and Alabama senators looked out for coal and iron ore; Senator Hill of New York was unalterably opposed to an income tax; Senator Murphy, of the same state, obtained high duties on linen collars and cuffs; and Senators Gorman and Brice were ready to aid the opposition unless appeased by definite bits of protection which they demanded. Many years later Senator Cullom, a Republican, explained the practical basis on which the Senate proceeded: "The truth is, we were all—Democrats as well as Republicans—trying to get in amendments in the interest of protecting the industries of our respective States."

The 634 changes made in the Senate were, therefore, mainly in the direction of lessening the reductions made by the House. After the bill had passed the Senate, it was put into the hands of a conference committee, where further changes were made. At this stage of

the proceedings, Wilson read to the House a letter from the President condemning the form which the bill had taken under Senate management, and branding the abandonment of Democratic principles as an example of "party perfidy and party dishonor." The communication had no effect except to intensify differences within the party, and senators made it evident that they would have their way or kill the measure. The House thereupon capitulated and accepted what became known as the Wilson-Gorman act—a law which was only less protectionist than the McKinley act. The President, chagrined at the breakdown of the party program, allowed the act to pass without his signature, but expressed his mingled disappointment and disgust in a letter to Representative T. C. Catchings:

> There are provisions in this bill which are not in line with honest tariff reform. . . . Besides, there were . . . incidents accompanying the passage of the bill . . . which made every sincere tariff reformer unhappy. . . . I take my place with the rank and file of the Democratic party . . . who refuse to accept the results embodied in this bill as the close of the war, who are not blinded to the fact that the livery of Democratic tariff reform has been stolen and worn in the service of Republican protection, and who have marked the places where the deadly blight of treason has blasted the counsels of the brave in their hour of might.

A few phases of the attempt at tariff reduction indicate the extent to which political decay and especially Democratic demoralization had gone. As it passed the House, the Wilson bill left both raw and refined sugar on the free list. This was unsatisfactory to the Louisiana sugar growers, who desired a protective duty on the raw product, and was objected to by the Louisiana senators. On the other hand, the American Sugar Re-

fining Company, usually known as the "Sugar Trust," desired free raw materials but sought protective duties on refined sugar. In the Senate, a duty was placed on raw sugar, partly for revenue and partly to satisfy the Louisiana senators. On refined sugar, rates were fixed which were eminently satisfactory to the Trust. Rumors at once began to be spread broadcast over the country that the sugar interests had manipulated the Senate. The people were the more ready to believe charges of this sort because of experience with previous tariff legislation and because the Sugar Trust had been one of the earliest and most feared of the monopolies which had already caused so much uneasiness. A Senate committee was appointed, composed of two Democrats, two Republicans and a Populist, to investigate these and other rumors. Their report, which was agreed to by all the members, made public a depressing story. It appeared that one lobbyist had offered large sums of money for votes against the tariff bill on account of the income tax provision. Henry O. Havermeyer, president of the American Sugar Refining Company, testified that the company was in the habit of contributing to the campaign funds of one political party or the other in the states, depending on which party was in the ascendency; that these contributions were carried on the books as expense; and that they were given because the party in power "could give us the protection we should have." Further, one or more officers of the company were in Washington during the entire time when the tariff act was pending in the Senate and had conferred with senators and committees. Senator Quay testified that he had bought and sold sugar stocks while the Senate was engaged in fixing the schedules and added: "I do not feel that there is anything in my connection with the Senate to inter-

fere with my buying or selling the stock when I please; and I propose to do so." Finally the committee summarized the results of its investigation, taking the occasion to

> strongly deprecate the importunity and pressure to which Congress and its members are subjected by the representatives of great industrial combinations, whose enormous wealth tends to suggest undue influence, and to create in the public mind a demoralizing belief in the existence of corrupt practices.

Yet one more drop remained to fill the cup of Democratic humiliation to overflowing. The constitutionality of the income tax had been assumed to have been settled by previous decisions of the Supreme Court, especially that in the case Springer *v.* United States, which had been decided in 1880, and in which the Court had upheld the law. The new tax was brought before the Court in 1894, in Pollock *v.* Farmers' Loan and Trust Company. The argument against the tax was pressed with great vigor, not merely on constitutional grounds, but for evident social and economic reasons. Important financial interests engaged powerful legal talent and it became clear that the question to be settled was as much a class and sectional controversy as a constitutional problem. Counsel urged the Court that the tax scattered to the winds the fundamental principles of the rights of private property. Justice Field, deciding against the tax, declared it an "assault upon capital" and a step toward a war of the poor against the rich. There was fear among some that the exemption of the smaller incomes might result in placing the entire burden of taxation on the wealthy. Justice Field, for example, felt that taxing persons whose income was $4,000 and exempting those whose income was less than that amount was like taxing Protestants, as a

class, at one rate and Catholics at another. The sectional aspects of the controversy were brought out in objections that the bulk of the tax would fall on the Northeast. The most important point involved was the meaning of the word "direct" as used in the Constitution in the phrase "direct Taxes shall be apportioned among the several States . . . according to their respective Numbers." If an income tax is a direct tax, it must be apportioned among the states according to population. Unhappily the framers of the Constitution were not clear as to what they meant by the word direct, and specifically they could not have told whether an income tax was direct or not, because no such tax existed in England or America at that time. Hence the Supreme Court was placed in the awkward position of defining a word which the framers themselves could not define, although the uniform practice hitherto had been to regard the income tax as indirect and therefore constitutional, even if not apportioned according to population.

The Pollock case was heard twice. The result of the first trial was inconclusive and on the central point the Court divided four to four. After a rehearing, Justice Jackson, who had been ill and not present at the first trial, gave his vote in favor of constitutionality, but in the meantime another justice had changed his opinion and voted against it. By the narrow margin of five to four, then, and under such circumstances, the income tax provision of the Wilson-Gorman act was declared null and void. Probably no decision since the Dred Scott case, with the single exception of the Legal Tender cases, has put the Supreme Court in so unfortunate a light. Certainly in none has it seemed more swayed by class prejudice, and so insecure and vacillating in its opinion.

Before the question regarding the constitutionality of the income tax was settled, the Democrats reaped the political results of the Wilson-Gorman tariff act. The law went into force on August 27, 1894; the congressional elections came in November. The Democrats were almost utterly swept out of the House, except for those from the southern states, their number being reduced from 235 to 105. Reed was replaced in the speaker's chair; tariff reform had turned out to be indistinguishable from protection; and the Democracy, after its only opportunity since 1861 to try its hand at government, was demoralized, discredited, and in opposition again.

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CHAPTER XIII

THE TREND OF DIPLOMACY

AFTER the international issues arising from the Civil War were settled, and before foreign relations began to become more important late in the nineties, our diplomatic history showed the same lack of definiteness and continuity that stamped the history of politics during the same years. Eleven different men held the post of Secretary of State during the thirty-four years from 1865 to 1898, one of them, Blaine, serving at two separate times. The political situation in Washington changed frequently, few men of outstanding capacity as diplomatists were in the cabinets, and most of the problems which arose were not such as would excite the interest of great international minds. That any degree of unity in our foreign relations was attained is due in part to the continuous service of such men as A. A. Adee, who was connected with the state department from 1878, and Professor John Bassett Moore, long in the department and frequently available as a counselor.[1]

Even before the Civil War, Americans had been interested in the affairs of the nations whose shores were touched by the Pacific Ocean. Missionaries and traders had long visited China and Japan. During the years when the transcontinental railroads were built,

[1] The development of the United States as a commercial power was seen in the increased use of consuls as agents for procuring and publishing industrial and commercial information.

as has been seen, the construction companies looked to China for a labor supply, and there followed a stream of Chinese immigrants who were the cause of a difficult international problem. Our relations with Japan were extremely friendly. Until the middle of the nineteenth century the Japanese had been almost completely cut off from the remainder of the world, desiring neither to give to the rest of humanity nor to take from them. In 1854 Commodore Matthew C. Perry of the United States Navy had succeeded in obtaining permission for American ships to take coal and provisions at two Japanese ports. Townsend Harris shortly afterwards had been appointed consul-general to Japan and his knowledge of the East and his tactful diplomacy had procured increased trade rights and other privileges. In 1863 a Japanese prince had sought to close the strait of Shimonoseki which connects the inland sea of Japan with the outside ocean. American, French and Dutch vessels had been fired upon, and eventually an international expedition had been sent to open the strait by force. Seventeen ships of war had quickly brought the prince to terms. An indemnity had been demanded, of which the United States had received a share. The fund remained in the treasury untouched until 1883 when it was returned to Japan. The latter received the refund as "a strong manifestation of that spirit of justice and equity which has always animated the United States in its relations with Japan."

The purchase of Alaska in 1867, stretched a long, curved finger out towards the Asiatic coast, but there was little interest in the new acquisition and no knowledge of its size or resources.[1]

[1] Cf. Fish, *American Diplomacy*, 398.

The first tangible and permanent indication that the United States might extend its interests into the sphere of the Pacific Ocean appeared as early as 1872, when an arrangement with a Samoan chief gave us the right to use the harbor of Pagopago on the island of Tutuila. Tutuila is far from American shores, being below the equator on the under side of the world, but the harbor of Pagopago is an unusually good one and its relation to the extension of American commerce in the South Pacific was readily seen. Not long afterward, similar trading privileges were granted to Germany and Great Britain. Conditions in the islands had by no means been peaceful even before the advent of the foreigners with their intrigues and jealousies, and in 1885 the Germans, taking advantage of a native rebellion, hauled down the Samoan flag on the government building in Apia and seemed about to take control. In the following year, at the request of the Samoan king, the American consul Greenebaum proclaimed a protectorate and hoisted the United States flag. The act was unauthorized and was disavowed at once by the government at Washington. In the hope of establishing order in the islands, Bayard, Secretary of State in President Cleveland's first administration, suggested a triple conference of Germany, Great Britain and the United States in Washington. During a recess in the conference a native rebellion overturned the Samoan government and Germany assumed virtual control. While civil war raged among native factions, the Germans landed armed forces for the protection of their interests. The American and British governments, fearful of danger to their rights, already had war vessels in the harbor of Apia and armed conflict seemed almost inevitable when a sudden hurricane on March 16, 1889, destroyed all the vessels except one. The *Calliope,* (English),

steamed out to sea in the teeth of the great storm and escaped in safety. In the face of such a catastrophe all smaller ills were forgotten and peace reigned for the moment in Samoa.

Meanwhile, just as Cleveland was retiring from office for the first time, another conference of the three powers was arranged which provided a somewhat complicated triple protectorate. After a few years of quiet, another native insurrection called attention to the islands. Cleveland was again in the presidential chair, and in a message to Congress he expressed his belief that the United States had made a mistake in departing from its century-old policy of avoiding entangling alliances with foreign powers. A year later he returned to the subject more earnestly than ever. A report from the Secretary of State presented the history of our Samoan relations and ventured a judgment that the only fruits which had fallen to the United States were expense, responsibility and entanglement. The President thereupon invited an expression of opinion from Congress on the advisability of withdrawing from our engagements with the other powers. For the time nothing came of Cleveland's recommendation, but the continuance of native quarrels later necessitated another commission to the islands. The American member reported that the harbor of Apia was full of war vessels and the region about covered with armed men, but that "not the sail or smoke of a single vessel of commerce was to be seen there or about the coasts of these beautiful islands." In 1899, the triple protectorate was abandoned, as it had complicated the task of governing the islands. The United States received Tutuila with the harbor of Pagopago, Germany took the remainder of the group, and England retired altogether. The trend of Samoan relations was signifi-

cant: our connection with the islands began with the desire to possess a coaling station; the possession first resulted in entanglements with other nations, and later in the question whether we ought not to withdraw; and eventually we withdrew from some of the responsibilities, but not from all. Despite its traditional policy of not contracting entangling alliances, the United States was in the Pacific to stay.

When Cleveland came into power the first time, he found a long-standing disagreement with Canada over the fisheries of the northeastern coast. An arrangement which had resulted from the Treaty of Washington in 1871 came to an end in 1885, and the rights of American fishermen in Canadian waters then rested upon a treaty of 1818. This treaty was inadequate owing to various changes which had taken place during the nearly seventy years that had elapsed since it was drawn up. Several difficulties lay in the way of the arrangement of a new treaty, an important one being the readiness of the Republican Senate to embarrass the President and thus discredit his administration. Matters came to a critical point in 1886 when Canadian officials seized two American vessels engaged in deep-sea fishing. Cleveland then arranged a treaty which provided for reciprocal favors, and when the Senate withheld its assent the administration made a temporary agreement, (*modus vivendi*), under which American ships were allowed to purchase bait and supplies and to use Canadian bays and harbors by paying a license fee.[1]

The peculiar geographical configuration of Alaska was, meanwhile, bringing the United States into an-

[1] For later aspects of the controversy, see below, pp. 532–533.

other diplomatic controversy. An arm or peninsula of the possession extends far out into the Pacific and is continued by the Aleutian Islands, which resemble a series of stepping-stones reaching toward Siberia.[1] Bering Sea is almost enclosed by Alaska and the Islands. Within the Sea and particularly on the islands of St. Paul and St. George in the Pribilof group, large numbers of seals gathered during the spring and summer to rear their young. In the autumn the herds migrated to the south, passing out through the narrow straits between the members of the Aleutian group, and were particularly open to attack at these points. As early as 1870 the United States government leased the privilege of hunting fur seals on St. Paul and St. George to the Alaska Commercial Company, but the business was so attractive that vessels came to the Aleutian straits from many parts of the Pacific, and it looked as if the United States must choose between the annihilation of the herds and the adoption of some means for protecting them. The revenue service thereupon began the seizure in 1886 of British sealing vessels, taking three in that year and six during the next. The British government protested against the seizures on the ground that they had taken place more than three miles from shore—three miles being the limit to the jurisdiction of any nation, according to international law. The Alaskan Court which upheld the seizures justified itself by the claim that the whole Bering Sea was part of the territory of Alaska and thus was comparable to a harbor or closed sea (*mare clausum*), but Secretary Blaine disavowed this contention. The United States then requested the governments of several European countries, together with

[1] Cf. map p. 10.

Japan, to cooperate for the better protection of the fisheries, but no results were reached.

Continuance of the seizures in 1889 brought renewed protests from Lord Salisbury, who was in charge of foreign affairs. Blaine retorted that the destruction of the herds was *contra bonos mores* and that it was no more defensible even outside the three mile limit than destructive fishing on the banks of Newfoundland by the explosion of dynamite would be. Lord Salisbury replied that fur seals were wild animals, *ferae naturae,* and not the property of any individual until captured. An extended diplomatic correspondence ensued, which resulted in a treaty of arbitration in 1892.[1] A tribunal of seven arbitrators was established, two appointed by the Queen of England, two by the President, and one each by the rulers of France, Italy and Sweden and Norway, the last two being under one sovereign at that time. Several questions were submitted to the tribunal. What exclusive rights does the United States have in the Bering Sea? What right of protection or property does the United States have in the seals frequenting the islands in the Sea? If the United States has no exclusive rights over the seals, what steps ought to be taken to protect them? Great Britain also presented to the arbitrators the question whether the seizures of seal-hunting ships had been made under the authority of the government of the United States.

The decisions were uniformly against the American

[1] J. W. Foster, who was intimately connected with the case, suggests that the defects in the American argument were due partly to following briefs prepared by an agent of the Alaska Commercial Company in Washington. The agent was interested in getting everything possible for his company but his knowledge of the law in the case was slight. Cf. Foster, *Memoirs,* II, 26 f.; Moore, *American Diplomacy,* 97–104.

contention. It was decided that our jurisdiction in the Bering Sea did not extend beyond the three mile limit and that therefore the United States had no right of protection or property in the seals. A set of regulations for the protection of the herds was also drawn up. Another negotiation resulted in the payment of $473,000 damages by the United States for the illegal seizures of British sealers.[1]

Relations with the Latin American countries south of the Mexican border had been unstable since the Mexican War, an unhappy controversy that left an ineradicable prejudice against us. John Quincy Adams and Henry Clay had hoped for a friendly union of the nations of North and South America, led by the United States, but this ideal had turned out to have no more substance than a vision. Moreover, the increasing trade activity of Great Britain and later of Germany had made a commercial bond of connection between South America and Europe which was, perhaps, stronger than that which the United States had established. Yet some progress was made. Disputes between European governments and the governments of Latin American countries were frequently referred to the United States for arbitration. An old claim of some British subjects, for example, against Colombia was submitted for settlement in 1872 to commissioners of whom the United States minister at Bogota was the most important. The problem was studied with great

[1] The attempts to protect the herds by government regulation failed to have any important results. An international arrangement was made in 1911, but the slaughter had proceeded so far that grave question arose whether any agreement would be effective short of absolute prohibition. In 1912 Congress passed a law forbidding any killing on the land for a term of five years; in 1917 when the restrictions were released the herds had greatly increased. In 1918 the seals numbered 530,480. *American Year Book*, 1918, 503–4.

care and the award was satisfactory to both sides. In 1876 a territorial dispute between Argentina and Paraguay was referred to the President of the United States. In the case of a boundary controversy between Costa Rica and Nicaragua, President Cleveland appointed an arbitrator; Argentina and Brazil presented a similar problem which received the attention of Presidents Harrison and Cleveland.

It fell to James G. Blaine to revive the idea of a Pan-American conference which had been first conceived by Adams and Clay. As a diplomat, Blaine was possessed of outstanding patriotism and enthusiastic imagination, even if not of vast technical capacity or of an international mind. As Secretary of State under President Garfield in 1881 he invited the Latin American countries to share with the United States in a conference for the discussion of arbitration. The early death of Garfield and the ensuing change in the state department resulted in the abandonment of the project for the time being. Blaine, however, and other interested persons continued to press the plan and in 1888 Congress authorized the President to invite the governments of the Latin American countries to send delegates to a conference to be held in Washington in the following year. By that time President Harrison was in power. Blaine was again Secretary of State and was chosen president of the conference. Among the subjects for discussion were the preservation of peace, the creation of a customs union, uniform systems of weights, measures and coinage, and the promotion of frequent inter-communication among the American states. Little was accomplished, beyond a few recommendations, except the establishment of the International Bureau of American Republics. This was to have no governmental power, but was to be supported

by the various nations concerned and was to collect and disseminate information about their laws, products and customs. The Bureau has become permanent under the name Pan American Union and is a factor in the preservation of friendly relations among the American republics. The reciprocity measure which Blaine pressed upon Congress during the pendency of the McKinley tariff bill was designed partly to further Pan-American intercourse.

In the case of a disagreement with Chile, Blaine was less successful. A revolution against the Chilean President, Balmaceda, resulted in the triumph of the insurgents in 1891. The American minister to Chile was Patrick Egan, an Irish agitator who sympathized with President Balmaceda against the revolutionists and who was *persona non grata* to the strong English and German colonies there. While Chilean affairs were in this strained condition, the revolutionists sent a vessel, the *Itata*, to San Diego in California for military supplies, and American authorities seized it for violating the neutrality laws. While the vessel was in the hands of our officers, the Chileans took control of it and made their escape. The cruiser *Charleston* was sent in pursuit and thereupon the revolutionists surrendered the *Itata*. Not long afterward, however, a United States Court decided that the pursuit had been without justification under international law and ordered the release of the *Itata*. The result was that the United States seemed to have been over-ready to take sides against the revolutionists, and the latter became increasingly hostile to Americans.

Relations finally broke under the strain of a street quarrel in the city of Valparaiso in the fall of 1891. A number of sailors from the United States ship *Baltimore* were on shore leave and fell in with some Chilean

sailors in a saloon. A quarrel resulted—just how it originated and just who was the aggressor could not be determined—but at any rate the Americans were outnumbered and one was killed. The administration pressed the case with vigor, declining to look upon the incident as a sailors' brawl and considering it a hostile attack upon the wearers of an American uniform. For a time the outbreak of war was considered likely, but eventually Chile yielded, apologized for its acts and made a financial return for the victims of the riot. Later students of Chilean relations have not praised Egan as minister or Blaine's conduct of the negotiations, but it is fair to note that the Chileans were prejudiced against the American Secretary of State because of an earlier controversy in which he had sided against them, and that the affair was complicated by the presence of powerful European colonies and by the passions which the revolution had aroused.

Blaine was compelled to face another embarrassing situation in dealing with Italy in 1891–1892. In October, 1890, the chief of police of New Orleans, D. C. Hennessy, had been murdered and circumstances indicated that the deed had been committed by members of an Italian secret society called the Mafia. A number of Italians were arrested, of whom three were acquitted, five were held for trial and three were to be tried a second time. One morning a mob of citizens, believing that there had been a miscarriage of justice, seized the eleven and killed all of them. The Italian government immediately demanded protection for Italians in New Orleans, as well as punishment of the persons concerned in the attack, and later somewhat impatiently demanded federal assurance that the guilty parties would be brought to trial and an acknowledg-

ment that an indemnity was due to the relatives of the victims of the mob. Failing to obtain these guarantees, the Italian government withdrew its minister. When a grand jury in New Orleans investigated the affair it excused the participants and none of them was brought to trial.

The government at Washington was hampered by the fact that judicial action in such a case lies with the individual state under our form of government, whereas diplomatic action is of course entirely federal. If the states are tardy or derelict in action, the national government is almost helpless. President Harrison urged Congress to make offenses against the treaty rights of foreigners cognizable in the federal courts, but this was never done. Diplomatic activity, however, brought better results, and an expression of regret on the part of the United States, together with the payment of an indemnity of $24,000 closed the incident.

Among the many troublesome questions that faced President Cleveland when he entered upon the Presidency in 1893 for the second time, the status of the Hawaiian Islands was important. Since the development of the Pacific Coast of the United States in the forties and fifties, there had been a growing trade between the islands and this country. Reciprocity and even annexation had been projected. In 1875 a reciprocity arrangement was consummated, a part of which was a stipulation that none of the territory of Hawaii should be leased or disposed of to any other power. In this way a suggestion was made of ultimate annexation. Moreover the commercial results of the treaty were such as to make a friendly connection with the United States a matter of moment to Hawaii. The value of Hawaiian exports had increased, government

revenues enlarged, and many public improvements had been made. In 1884 the grant of Pearl Harbor to the United States as a naval station made still another bond of connection between the islands and their big neighbor.

The King of Hawaii during this period of prosperity was Kalakaua. During a visit to the United States, and later during a tour of the world he was royally received, whereupon he returned to his island kingdom with expanded theories of the position which a king should occupy. Unhappily he dwelt more on the pleasures which a king might enjoy than upon the obligations of a ruler to his people. At his death in 1891 Princess Liliuokalani became Queen and at once gave evidence of a disposition to rule autocratically. Because of her attempts to revise the Hawaiian system of government so as to increase the power of the crown, the more influential citizens assembled, appointed a committee of public safety and organized for resistance. On January 17, 1893, the revolutionary elements gathered, proclaimed the end of the monarchical regime and established a provisional government under the leadership of Judge S. B. Dole. The new authorities immediately proposed annexation to the United States and a treaty was promptly drawn up in accord with President Harrison's wishes, and presented to the Senate. At this point the Harrison administration ended and Cleveland became President.

Cleveland immediately withdrew the treaty for examination and sent James H. Blount to the islands to investigate the relation of American officials to the recent revolution. The appointment of Blount was made without the advice and consent of the Senate and was denounced by the President's enemies, although such special missions have been more or less common since

the beginning of our history.[1] Blount reported that the United States minister to Hawaii, J. L. Stevens, had for some time been favorably disposed to a revolution in the islands and had written almost a year before that event asking how far he and the naval commander might deviate from established international rules in the contingency of a rebellion. "The Hawaiian pear is now fully ripe," Stevens had written to the State Department, early in 1893, "and this is the golden hour for the United States to pluck it." Blount also informed the President that the monarchy had been overturned with the active aid of Stevens and through the intimidation caused by the presence of an armed naval force of the United States.

The blunt language which Cleveland employed in his message to Congress on the subject, left no doubt about his opinion of the transaction. "The control of both sides of a bargain acquired in such a manner is called by a familiar and unpleasant name when found in private transactions." Believing that an injustice had been done and that the only honorable course was to undo the wrong, he sent A. S. Willis as successor to Stevens to express the President's regret and to attempt to make amends. One of the conditions however which President Cleveland placed upon the restoration of the Queen was a promise of amnesty to all who had shared in the revolution. The Queen was at first unwilling to bind herself and when she later agreed, a new obstacle appeared in the refusal of the provisional government to surrender its authority. Indeed it began to appear that the President's sense of justice was forcing him to attempt the impossible. The provisional government had already been recognized by the United States and by other powers, the deposition of

[1] Cf. *Political Science Review*, Aug., 1916, 481–499.

the Queen was a *fait accompli* and her restoration partook of the nature of turning back the clock. Moreover, force would have to be used to supplant the revolutionary authorities,—a task for which Americans had no desire. The President, in fact, had exhausted his powers and now referred the whole affair to Congress. The House condemned Stevens for assisting in the overturn of the monarchy and went on record as opposed to either annexation or an American protectorate. Sentiment was less nearly uniform in the upper chamber. The Democrats tended to uphold the President, the Republicans to condemn him. Although a majority of the committee on foreign relations exonerated Stevens, yet no opposition appeared to a declaration which passed the Senate on May 31, 1894, maintaining that the United States ought not to intervene in Hawaiian affairs and that interference by any other government would be regarded as unfriendly to this country.

In the outcome, these events merely delayed annexation; they could not prevent it. In Hawaii the more influential and the propertied classes supported the revolution and desired annexation. In the United States the desire for expansion was stimulated by the fear that some other nation might seize the prize. The military and naval situation in 1898 increased the demand for annexation, and in the summer of that year the acquisition was completed by means of a joint resolution of the two houses of Congress.[1] While negotiations were in progress Japan protested that her interests in the Pacific were endangered. Assurances were given, however, that Japanese treaty rights would not be affected by the annexation and the protest was with-

[1] Cf. below, p. 387 ff. Hawaii was brought into the Union as a territory in 1900.

drawn. The United States was now "half-way across to Asia."

Most dangerous in its possibilities was the controversy with Great Britain over the boundary between British Guiana and Venezuela. British Guiana lies on the northern coast of South America, next to Venezuela and extends inland, with its western boundary roughly parallel to the valley of the Orinoco River. A long-standing disagreement had existed about the exact position of the line between the two countries—a disagreement which harked back to the claims of the Dutch, who had acquired Guiana in 1613 and had turned it over to the British in 1814. In 1840 England commissioned a surveyor named Schomburgk to fix the boundary but his decision was objected to by the Venezuelans who claimed that he included a great area that rightfully belonged to them. Gradually the British claims included more and more of the territory claimed by Venezuela, and the discovery of gold in the disputed region not only drew attention to the necessity of a settlement of the boundary but also attracted prospectors who began to occupy the land. In 1876 Venezuela began negotiations for some means of deciding the dispute and came to the conclusion that arbitration was her only recourse. On the refusal of Great Britain to heed her protests, the Venezuelan government suspended diplomatic relations in 1887, although the United States attempted to prevent a rupture by suggesting the submission of the difference to an arbitral tribunal. This offer was not accepted by Great Britain, and repeated exertions on the part of both Venezuela and the United States at later times failed to produce better results. When Cleveland returned to the presidency in 1893 he again became interested in

the Venezuelan matter and Secretary of State Gresham urged the attention of the British government to the desirability of arbitration.

President Cleveland was a man of great courage and had a very keen sense of justice. In his opinion a great nation was playing the bully with a small one, and the injustice stirred his feelings to the depths. With the President's approval Secretary Olney, who had succeeded Gresham on the death of the latter, drew up an exposition of the Monroe doctrine which was communicated to Lord Salisbury. This despatch, which was dated July 20, 1895, brought matters to a climax. In brief the administration took the position that under the Monroe doctrine the United States adhered to the principle that no European nation might deprive an American state of the right and power of self-government. This had been established American policy for seventy years. The Venezuelan boundary controversy was within the scope of the doctrine since Great Britain asserted title to disputed territory, substantially appropriating it, and refused to have her title investigated. At the same time Secretary Olney disclaimed any intention of taking sides in the controversy until the merits of the case were authoritatively ascertained, although the general argument of the despatch seemed to place the United States on the side of Venezuela. Moreover, Secretary Olney adopted a swaggering and aggressive, not to say truculent tone. He drew a contrast between monarchical Europe and self-governing America, particularly the United States, which "has furnished to the world the most conspicuous . . . example . . . of the excellence of free institutions, whether from the standpoint of national greatness or of individual happiness." The United States, he asserted, is "practically sovereign on this continent" be-

cause "wisdom and justice and equity are the invariable characteristics" of its dealings with others and because "its infinite resources combined with its isolated position render it master of the situation . . . as against any or all other powers."

Lord Salisbury did not reply to Secretary Olney for more than four months. He then asserted that President Monroe's message of 1823 had laid down two propositions: that America was no longer to be looked upon as a field for European colonization; and that Europe must not attempt to extend its political system to America, or to control the political condition of any of the American communities. In Lord Salisbury's opinion Olney was asserting that the Monroe doctrine conferred upon the United States the right to demand arbitration whenever a European power had a frontier difference with a South American community. He suggested that the Monroe doctrine was not a part of international law, that the boundary dispute had no relation to the dangers which President Monroe had feared and that the United States had no "apparent practical concern" with the controversy between Great Britain and Venezuela. He also raised some objections to arbitration as a method of settling disputes and asserted the willingness of Great Britain to arbitrate her title to part of the lands claimed. The remainder, he declared, could be thought of as Venezuelan only by extravagant claims based on the pretensions of Spanish officials in the last century. This area he expressly refused to submit to arbitration. The language of the Salisbury note was diplomatically correct, a fact which did not detract from the effect of the patronizing tone which characterized it.

President Cleveland doggedly proceeded with his demands. On December 17, (1895), he laid before

Congress the correspondence with Lord Salisbury, together with a statement of his own position on the matter. Disclaiming any preconceived conviction as to the merits of the dispute, he nevertheless deprecated the possibility that a European country, by extending its boundaries, might take possession of the territory of one of its neighbors. Inasmuch as Great Britain had refused to submit to arbitration, he believed it incumbent upon the United States to take measures to determine the true divisional line. He suggested therefore that Congress empower the executive to appoint a commission to investigate and report. His closing words were so grave as to arouse the country to a realization of the dangerous pitch to which negotiations had mounted:

> When such report is made and accepted it will in my opinion be the duty of the United States to resist . . . the appropriation by Great Britain of any . . . territory which after investigation we have determined of right belongs to Venezuela. In making these recommendations I am fully alive to the responsibility incurred, and keenly realize all the consequences that may follow. I am nevertheless firm in my conviction that while it is a grievous thing to contemplate the two great English-speaking peoples . . . as being otherwise than friendly . . . there is no calamity . . . which equals that which follows a supine submission to wrong and injustice.

Congress at once acceded to Cleveland's wishes and appropriated $100,000 for the proposed investigation. For a brief moment neither Great Britain nor America quite realized the meaning of the President's warlike utterance. In America it had generally been felt previously that his foreign policy was conciliatory rather than aggressive and, besides, the Venezuelan

dispute had but little occupied popular attention. When it became evident that war was a definite possibility, public interest followed every step with anxiety. Newspaper sentiment divided. The press generally judged Cleveland's stand strong and "American." On the other hand, a few periodicals like the *Nation* insinuated that the President was actuated by the desire to make political capital for a third term campaign and characterized his action as "criminally rash and insensate," "ignorant and reckless," "impudent and insulting." Influential citizens in both countries made energetic attempts to prevent anything that might make war inevitable. The Prince of Wales and Lord Roseberry threw their influence on the side of conciliation. A. J. Balfour declared that a conflict with the United States would carry something of the "horror of civil war" and looked forward to the time when the country would "feel that they and we have a common duty to perform, a common office to fulfill among the nations of the world."

The President appointed a commission which set to work to obtain the information necessary for a judicial settlement of the boundary, and both Great Britain and Venezuela tactfully expressed a readiness to cooperate. Their labors, however, were brought to a close by a treaty between the two disputants providing for arbitration. A prominent feature of the treaty was an agreement that fifty years' control or settlement of an area should be sufficient to constitute a title, a provision which withdrew from consideration much of the territory to which Venezuela had laid claim. In October, 1899, the arbitration was concluded. The award did not meet the extreme claims of either party, but gave Great Britain the larger share of the disputed

area, although assigning the entire mouth of the Orinoco River to Venezuela.

Besides giving new life to the Monroe doctrine as an integral part of our foreign policy, the incident served to illustrate the dangers of settling international disputes in haphazard fashion. In January, 1897, therefore, Secretary Olney and the British Ambassador at Washington, Sir Julian Pauncefote, negotiated a general treaty for the settlement of disputes between the two countries by arbitration. Even with the example of the possible consequences of the Venezuelan controversy before it, however, the Senate failed to see the necessity for such an expedient, defeated the treaty by a narrow margin and left the greatest problem of international relations—the settlement of controversies on the basis of justice rather than force—to the care of a future generation.

On the whole, as has already been noted, the history of American diplomacy from 1877 to 1897 is scarcely more than an account of a series of unrelated incidents. Not only did the foreign policy of Blaine differ sharply from that of Cleveland, but there was no great question upon which public interest came to a focus, except temporarily over the Venezuelan matter, and no lesser problems that continued long enough to challenge attention to the fact that they remained unsolved. There were visible, nevertheless, several important tendencies. Our attitude toward Samoa and Hawaii indicated that the instinctive desire to annex territory had not disappeared with the rounding out of the continental possessions of the United States; American interest in arbitration as a method of settling disputes was expressed again and again; the place of the Monroe doctrine in American international policy was clearly

shown; and the determination of the United States to be heard in all affairs that touched her interests was demonstrated without any possibility of doubt.

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CHAPTER XIV

THE RISE OF THE WAGE EARNER

IN their handling of the labor problem, the governments of the states and the nation showed greater ignorance and less foresight than characterized their treatment of any of the other issues of the quarter century following the Civil War. Yet the building of the railroads and their consolidation into great systems, the development of manufacturing and its concentration into large concerns, and the growth of an army of wage earners brought about a problem of such size and complexity as to demand all the information and vision that the country could muster.

The phenomenal accumulation of wealth in the fields of mining, transportation and manufacturing which characterized the new industrial America formed the basis of a powerful propertied class. Some of the wealth was amassed by such unscrupulous methods as those which caused the popular demand for government regulation of the railroads and trusts. The prizes of success were big. The men who made their way to the top—men like Gould, Fisk, Vanderbilt, Rockefeller and Carnegie—were pioneers whose courage, foresight, and daring were combined with sufficient ruthlessness to enable them to triumph where others failed. A few of them, like Carnegie, had some slight conception of the meaning of the labor problem; most of them did not. Linked to the industrial pioneer by community of interest was the holder of the

war bonds of the federal government. These securities were purchased with depreciated paper currency but increased very greatly in value after the successful outcome of the struggle, and formed an investment whose value it is extremely difficult to estimate. The owners of the stocks and bonds of the railroads and manufacturing combinations further swelled the ranks of the propertied class. Stability, continuous business and large earnings were the immediate considerations to this group. Anything which interfered was, naturally, a thing to be fought. Never before, unless in the South in slavery days, had a more powerful social class existed in the United States. A large fraction of the group was composed of men who had risen from poverty to wealth in a short time. From one point of view such a man is a "self-made" man, industrious, frugal, able, energetic, bold. From another point of view he is a *parvenu,* narrow, overbearing, ostentatious, proud, conceited, uncultivated. The relatively small size of the propertied class and an obvious community of interest tended to make its members reach a class consciousness even during the Civil War. The success of the group in preventing all tariff reduction after 1865 was a striking example of the solidarity of its membership and its readiness for action.

Class consciousness among the wage earners developed much more slowly, and in the nature of things was much less definite. Nevertheless the history of the industrial turmoil of the quarter century after the Civil War is the history of a class groping for political, social and economic recognition.

At the close of the war the labor situation was confused and complicated. A million and a half of men in the North and South had to be readmitted to the ranks of industry. Approximately another million had died

or been more or less disabled during the conflict. A stream of immigrants, already large and constantly increasing, was pouring into the North and seeking a means of livelihood. As has been seen, most of these settled in the manufacturing and mining sections of the northern and eastern states, helped to crowd the cities, and overflowed into the fertile, free lands of the mid-West. Nearly 800,000 of them reached the United States in one year, 1882. Most of them were men—an overwhelming portion of them men of working age, unskilled, frequently illiterate and hence compelled to seek employment in a relatively small number of occupations. Both the chances of unemployment and the danger of a lowered standard of living were increased by the immigrants.

The greater use of machinery during the progress of the war has already been alluded to, but some of its results demand further mention.[1] Most evident was the huge increase in the volume and value of the products of the factories. The labor of a single worker increased in effectiveness many times; in other words, the labor cost of a unit of production greatly diminished with the improvement of mechanical devices. The labor cost of making nails by hand in 1813 was seventy fold the cost of making them by machinery in 1899; loading ore by hand was seventy-three times as expensive in 1891 as machine loading was in 1896. Increased production encouraged greater consumption, enhanced competition for markets, and opened the world to the products of American labor. Moreover, the introduction of machinery emphasized the importance of capital. When iron was rolled by hand, when cloth was produced by the use of the spinning wheel and hand-loom, when fields were tilled by inexpensive

[1] Cf. above, p. 64.

plow and hoe, relatively small amounts of capital were needed by the man who started in to work. Mechanical inventions revolutionized the situation. A costly power-loom enabled its owner to eliminate handworking competitors. If a workman could raise sufficient money or credit to purchase a supply of machines he could "set up in business," employ a number of "hands" and merely direct or manage the enterprise. Under such a system the employer must make enough profit to pay interest on his investment and to repair and replace his equipment. His attention was fixed on these elements of his industrial problem and the well-being of the laborer sank to a lower plane of importance. If the employer found the labor supply plentiful he had the upper hand in setting the wage-scale; the unorganized employee was almost completely at his mercy, because the employer could find another workman more easily than the workman could find another job. Meanwhile the workman knew the increased product which he was turning out, and became discontented because he did not see a corresponding increase in his remuneration.

From about 1830, when the rapid development of the use of mechanical appliances began, to the late eighties and early nineties when the new regime was meeting its sternest conflicts in the trust problem and the militant labor unions, the army of the wage earner was growing faster than the population. Between 1870 and 1890, for example, the population increased 63 per cent., while the number of laborers engaged in manufacturing increased nearly 130 per cent. By the latter year, 6,099,058 persons, about a tenth of the total population, were employed in transportation, mining and manufacturing.

It was noticeable, also, that the wage earners tended

to concentrate. The laborers engaged in manufacturing were to be found, for the most part, in the Northeast, and especially in such leading industrial cities as New York, Chicago and Philadelphia. Furthermore, the development of the factory system and the consolidation of many small companies into a few great ones tended to localize the labor problem still further—in a relatively small number of plants. The concentration of industry in great factories where large numbers of workers labored side by side ended the paternal care which the old-time employer had expended upon his employees. With the introduction of machinery, the danger of accidents due to the ignorance or carelessness of fellow workmen increased. The use of mechanical appliances also gave opportunity for the employment of women and children, and thus raised the question whether any restrictions ought to be placed upon the employment of these classes of people. The construction of factories, their ventilation, sanitary appliances, and safe-guards for health and comfort became subjects of importance.

With the example of consolidation before them that was presented by the railroads and the corporations, it was inevitable that the wage earners should organize for their protection and advancement. Labor organizations of wage earners have existed in the United States since 1827, and between that time and 1840 came a considerable awakening among the laboring classes which was part of a general humanitarian movement throughout the country. Robert Owen, an English industrial idealist, had visited this country about 1825 and provided the initiative for a short-lived communistic settlement at New Harmony, Indiana. Similar enterprises were established at other points; the most famous of these was that at Brook Farm in Massa-

chusetts, which enlisted the interest and support of many of the literary people of New England. The expanding humanitarian and idealistic movement was cut short by the Civil War, but the development of industrialism went on uninfluenced by the spirit of social progress which might have permeated it. After reconstruction was over, a new generation had to become impressed with the evils which needed correction and to set itself to the task which civil strife had thrust aside.

The need of a responsible organization of wage earners was indicated by the career of the Molly Maguires. The Molly Maguires constituted an inner circle of Irish Catholics who controlled the activities of the branches of the Ancient Order of Hibernians in the hard-coal counties of eastern Pennsylvania. During the war and immediately after it the group gained a little power in local politics, and also undertoook to punish mine owners, bosses and superintendents who offended members of the Order. Intimidation became common, and even murder was resorted to until the region was fairly terrorized. It seemed impossible to combat the Mollies because their activities were shrouded in secrecy. Usually, for example, when a murder was to be committed, a member would be brought in from an outside district in order that he might not be recognized if discovered, and he would be aided in escaping after the crime. Finally the president of the Philadelphia and Reading Railroad procured a Pinkerton detective named James McParlan who went into the region and remained for two years. During this time he posed as a fugitive from justice and as a counterfeiter, became a member of the Order, a confidant of the Molly Maguires, and collected evidence. Armed with the knowledge acquired by McParlan, the officials were able to

arrest and convict twenty-four criminals, of whom ten were executed, and the career of the Mollies came to an end.

The activities of the Molly Maguires were symptomatic of what might occur throughout the ranks of labor during the confused period of adjustment after the war, and yet they were temporary and local in their effect on the development of the labor movement. The history of the great labor controversies after the war properly begins with the Knights of Labor, an association which originated in Philadelphia in 1869 as the result of the efforts of a garment cutter named Uriah S. Stephens.[1] In the beginning, the affairs of the Knights were veiled in dense secrecy; even the name of the society was never mentioned but was indicated by five stars *****. As the number of members increased, however, all manner of disquieting and untruthful rumors spread concerning its purposes, so that the element of secrecy was done away with in 1881 and a declaration of principles was made public. The fundamental purpose of the Knights was the formation of an order which should include all branches of the wage earners and which should aim to improve their economic, moral, social and intellectual condition. Emphasis was placed, that is to say, on the welfare of the laboring classes as a whole, rather than upon that of any particular trade or craft. The organization was centralized and the interests of the group were developed on a national scale. The growth of the association was extremely rapid at times, reaching a climax in the middle eighties when about 700,000 members, both men and women, made it a power in industrial disputes. Some of the members taken in at this time

[1] Two earlier organizations had a brief existence, the National Labor Union and the Industrial Brotherhood

were extremists—European anarchists, for example—who urged a violent policy and got almost if not quite out of control of the officers during 1886. In the late eighties the membership dwindled rapidly, owing to the failure of strikes instituted by the order, and its place and influence were largely taken by the American Federation of Labor.

The latter body was the outgrowth of a convention held in Pittsburg in 1881, but it did not adopt its final name until 1886. Its purpose was to group labor organizations of all kinds, leaving the government of each affiliated body with the body itself. Each of the members of the Federation is composed of workers in a given trade or industry, like the International Typographical Union, the United Mine Workers, and many others. The annual convention is composed of delegates from the constituent societies. The growth of the organization was rapid and continuous. Coincidently with the expansion of the Knights of Labor and the growth of the American Federation came the great development of the labor press. Professor Ely estimated late in the eighties that possibly five hundred newspapers were devoted to the needs of the labor movement. The numerous farmers' organizations, typified by the Patrons of Husbandry, are other examples of the growing tendency toward cohesion among the less powerful classes. Indeed, the Grange originated only a year earlier than the Knights of Labor, and like it was a secret order.

The wage earners, then, were rapidly becoming class-conscious. They had found conditions which seemed to them intolerable, had formed organizations on a national scale and had drawn up a definite program of principles and reforms. The exact grievances which inspired the Knights, the Federation and other less

important organizations are therefore of immediate importance.

In order to secure for the wage earner a sufficient money return for his work, and sufficient leisure for the education of his intellectual and religious faculties, and to enable him to understand and perform his duties as a citizen, the Knights demanded the establishment of bureaus of labor for the collection of information; the reservation of the public lands for actual settlers; the abrogation of laws that did not bear equally on capital and labor; the adoption of measures for the health and safety of the working classes; indemnity for injuries due to the lack of proper safeguards; the recognition of the incorporation of labor unions; laws compelling corporations to pay laborers weekly; arbitration in labor disputes; and the prohibition of child labor. The Knights of Labor also favored state ownership of telegraphs and railroads, as well as an eight hour working day. The purposes of the American Federation scarcely differed from this program, although its methods and its form of organization were quite distinct.

At the present time, when most of these demands have been met in one degree or another, it is difficult to see why there should have been delay and contention in agreeing to a program which, so far as it deals with labor problems pure and simple, appears both modest and reasonable. But the state of mind of a large fraction of the nation was not in accord with ambitions which doubtless seemed excessively radical. Fundamentally a great portion of the propertied classes held a low estimate of the value and rights of the laboring people, as well as of the possibilties of their development, and feared that evil results would follow from attempts to improve their condition. The employment

of children in factories, it was thought, would inculcate in them the needed habits of industry, and the reduction of the working hours would merely provide time which would be spent in the acquirement of vicious practices. If, in addition, the employers opposed such changes as the abolition of child labor and the reduction of the working day to eight hours on the ground of the financial sacrifice which seemed to be involved, their attitude was in keeping with the ruthless exploitation of the human resources of the country which was common during this period. It should be remembered, too, that the lofty conception which most Americans held of the opportunities and customs of their country stood in the way of a frank study of conditions and an equally frank admission of abuses. For decades we had reiterated that America was the land of opportunity, that economic, political and social equality were the foundations of American life and that the American workingman was the best fed and the best clothed workingman in the world. In the face of this view of industrial affairs it was difficult to be alert to manifold abuses and needed reforms. To one holding this view of affairs—and it was a common view—the laborer who demanded better conditions was unreasonable and unappreciative of how "well off" he was. Hence the blame for the labor unrest was frequently laid on the foreigner, who was supposed to bring to America the opposition to government which had been fostered in him by less democratic institutions abroad. Undoubtedly immigration greatly complicated industrial conditions, as has been indicated, yet essentially the labor question arose from the upward progress of a class in American society and was as inevitable, foreigner or no foreigner, as the coming of a new century.

Two illustrations will throw light upon some of the

demands which the wage earners frequently presented. Writing in August, 1886, Andrew Carnegie, the prominent steel manufacturer, discussed the proper length of the working day. Every ton of pig-iron made in the world, with the exception of that made in two establishments, he asserted, was made by men working twelve hours a day, with neither holiday nor Sunday the year round. Every two weeks it was the practice to change the day workers to the night shift and at that time the men labored twenty-four hours consecutively. Moreover, twelve to fifteen hours constituted a day's work in many other industries. Working hours for women and children had almost equally slight reference to their physical well-being.

The "truck-system" was a less widespread abuse, but one that caused serious trouble at certain points. Under this plan, a corporation keeps a store at which employees are expected to trade, or are sometimes forced to do so. Obviously such a store might be operated to the great benefit of the workman and without loss to the employer, but the temptation to make an unfair profit and to keep the laborer always in debt to the company was very great. A congressional committee which investigated conditions in Pennsylvania in 1888 found that prices charged in company stores ran from ten per cent. to 160 per cent. higher than prices in other stores in the vicinity, and that a workman was more likely to keep his position if he traded with the company.

The most insistent cause of industrial conflict was the question of wages. Forty-one per cent. of all the strikes between 1881 and 1900 were for more pay; twenty-six per cent., for shorter hours. Between the close of the war and the early nineties, industrial prosperity was widespread except for the period of pros-

tration following 1873 and the less important depression of 1884. Not unnaturally the laborer desired to have a larger share of the product of his work. The individual, however, was impotent before a great corporation, when the wage-scale was being determined; hence workmen found it advantageous to combine and bargain collectively with their employer, in the expectation that he would hesitate to risk the loss of all his laboring force, whereas the loss of one or a few would be a matter of indifference.

In the meanwhile, a little ameliorative labor legislation was being passed by state legislatures and by Congress. A Massachusetts law of 1866 forbade the employment of children under ten years of age in manufacturing establishments, prohibited the employment of children between the ages of ten and fourteen for more than eight hours per day, and provided that children who worked in factories must attend school at least six months in the year. In 1868 a federal act constituted eight hours a day's work for government laborers, workmen and mechanics, but some doubt arose as to the intent of part of it and the law was not enforced. In many states eight-hour bills were introduced, but were defeated in all except six, of which Connecticut, Illinois and California were examples, and even in these cases the laws were not properly drawn up or were not enforced. In 1869 a Bureau of Statistics of Labor was established in Massachusetts which led the way for similar enterprises in other states. It collected information concerning labor matters and reported annually to the legislature. In 1874 a Massachusetts ten-hour law forbade the employment of women and minors under eighteen for more than sixty hours a week, although refraining from the regulation of working hours for men. In 1879, in imitation of

English factory acts, Massachusetts passed a general law relating to the inspection of manufacturing establishments. It provided that dangerous machinery must be guarded, proper ventilation secured, elevator wells equipped with protective devices and fire-escapes constructed. Other states followed slowly, but legislation was frequently negatived by lack of effective administration. In brief, then, agitation previous to 1877 had resulted in the passage of a few protective acts, but even these were restricted to a few states and were not well enforced. It was, therefore, more than a mere coincidence that the first general strike movement spread over the country in this same year, 1877.

It will be remembered that the great railroad strikes of that year extended over many of the northern roads but caused most trouble in Martinsburg, West Virginia, Pittsburg and other railway centers. Much property was destroyed, lives were lost, and the strikers failed to obtain their ends.[1] Other effects of the controversy, moreover, made it an important landmark in the history of the labor question. The inconvenience and suffering which the strike caused in cities far distant from the scene of actual conflict indicated that the transportation system was already so essential a factor in welding the country together that any interruption to its operation had become intolerable. The hostility of some of the railway managers to union among their laborers and the rumors that they were determined to crush such organizations augured ill for the future. The hordes of unemployed workmen and the swarms of tramps which had resulted from the continued industrial depression of 1873 insured rioting and violence during the strike, whether the strikers themselves favored it and shared in it or not. The

[1] Above, pp. 133–134.

destruction of property which resulted from the strike caused many state legislatures to pass conspiracy laws directed against labor; more attention was paid to the need of trained soldiers for putting down strikes, and the construction of many armories followed; and the courts took a more hostile attitude toward labor unions. Equally important was the effect on the workmen themselves. When the strike became violent and the state militia failed to check it, the strikers found themselves face to face with federal troops. President Hayes could not, of course, refuse to repress the rioters; nevertheless his action aligned the power of the central government against the strikers, and seemed to the latter to align the government against the laborers as a class. Of a sudden, then, the labor problem took on a new and vital interest; workingmen's parties "began to spring up like mushrooms"; and the laboring men saw more clearly than ever the essential unity of their interests.

Industrial unrest increased rather than diminished during the prosperous eighties; for the first five years of the decade, strikes and lockouts together averaged somewhat over five hundred annually. The climax came in "the great upheaval" of 1884 to 1886.[1] In the latter year nearly 1600 controversies involved 610,024 men and a financial sacrifice estimated at $34,000,000. Early in May, 1886, occurred the memorable Haymarket affair in the city of Chicago. The city was a center of labor agitation, some of it peaceful, some of it in the hands of radical European anarchists whose methods were shown in a statement of one of their newspapers, *The Alarm*, on February 21, 1885:

> Dynamite! Of all the good stuff, this is the stuff. Stuff

[1] For the effect on the Knights of Labor, see p. 310.

several pounds of this sublime stuff into an inch pipe . . . plug up both ends, insert a cap with a fuse attached, place this in the immediate neighborhood of a lot of rich loafers . . . and light the fuse. A most cheerful and gratifying result will follow.

On May 1 strikes began for the purpose of obtaining an eight hour day. During the course of the strike some workmen gathered near the McCormick Reaper Works; the police approached, were stoned, and retorted by firing upon the strikers, killing four and wounding many others. Thereupon the men called a meeting in Haymarket Square to protest against the action of the police; in the main they were orderly, for Mayor Carter Harrison was present and found nothing objectionable. Later in the evening, when the Mayor and most of the audience had left, remarks of a violent nature seem to have been made, and at this point a force of 180 police marched forward and ordered the meeting to disperse. Just then a bomb was thrown into the midst of the police, killing seven and wounding many others. The entire nation was shocked and terrified by the event, as hitherto anarchy had seemed to be a far-away thing, the product of autocratic European governments. The thrower of the bomb could not be discovered, but numerous anarchists were found who themselves possessed such weapons or had urged violence in their speeches or writings. Eight of them, nearly all Germans, were tried for murder on the ground that the person who threw the bomb must have read the speeches or writings of the accused anarchists and have been thereby encouraged to do the act. The presiding judge, Joseph E. Gary, was of the opinion that the disposition in the guilty man to throw the bomb was the result of the teaching and advice of the prisoners. The counsel for the accused declared

that since the guilty person could not be found it was impossible to know whether he had ever heard or read anything said or written by the prisoners, or been influenced by their opinions. Eventually seven anarchists were convicted, of whom four were hanged, one committed suicide, and three were imprisoned. In 1893 the Governor of Illinois, John P. Altgeld, pardoned the three prisoners, basing his action mainly on the ground that no proof had been brought forward to show that they were in any way acquainted with the unknown bomb-thrower. The result of the conviction was the break-up of the radical anarchistic movement and also the temporary discrediting of the general agitation for an eight hour day, although neither the Knights of Labor nor the Federation of Labor had any connection with the anarchists, and both deprecated violence.

In the meanwhile, Congress had concerned itself slightly with the labor problem. In 1884 a Bureau of Labor had been established to collect information on the relation of labor and capital. Two years later, just before the Haymarket affair, President Cleveland had sent a message to Congress in which he adverted to the many disputes which had recently arisen between laborers and employers, and urged legislation to meet the exigency. Considerations of justice and safety, he thought, demanded that the workingmen as a class be looked upon as especially entitled to legislative care. Although Cleveland deprecated violence and condemned unjustifiable disturbance, he believed that the discontent among the employed was due largely to avarice on the part of the employing classes and to the feeling among workmen that the attention of the government was directed in an unfair degree to the interests of capital. On the other hand, he sug-

gested that federal action was greatly limited by constitutional restrictions. He accordingly urged that the Bureau of Labor be enlarged and that permanent officers be appointed to act as a board of arbitration in industrial disputes. The legislative branch was not inclined to follow Cleveland's lead, although he returned to the subject after the Haymarket affair, for it was commonly felt that his suggestion was too great a step in the direction of centralization of government. Two years later, in 1888, a modest act was passed which provided for the investigation of differences between railroads and their employees, but only when agreed to by both parties, and no provision was made for the enforcement of the decision of the investigators. The practical results were not important. Similar action had already been taken in a few states. By 1895 fifteen states had laws providing for voluntary arbitration, but the results were slight in most cases.

Very little progress was being made in the states in the passage of other industrial legislation. In Alabama and Massachusetts in the middle eighties acts extended and regulated the liability of employers for personal injuries suffered by laborers while at work.[1] At the same time the attitude of the legislatures and the courts in some states toward strikes underwent a slight modification. In many states where the legislatures had not passed definite statutes to the contrary, it had been held by the courts that strikers could be tried and convicted for conspiracy. In a few cases, states passed acts attempting to define more exactly the legal position of strikers. A New York court in 1887, for example, held that the law of the state permitted workmen to seek an increase of wages by all possible means

[1] For the legal side of this matter, consult Wright, *Industrial Evolution*, 278–282.

that fell short of threats or violence. Before the close of Cleveland's second administration, considerable progress had been made in state legislation concerning conditions and hours of labor for women and children, protection of workers from dangerous machinery, the payment of wages, employer's liability for accidents to workmen, and other subjects. On the other hand, in some cases unreasonable or ill-considered actions on the part of the unions or their active agents—the "walking delegates"—turned popular sentiment against them. Particularly was this true in cases of violence and of strikes or boycotts by unions in support of workmen in other trades at far distant points.

During the presidential campaign of 1892 a violent strike at the Carnegie Steel Company's works in Homestead, Pennsylvania, arose from a reduction in wages and a refusal of the Company to recognize the Iron and Steel Workers' Union. An important feature of this disturbance was the use of armed Pinkerton detectives by the Company for the protection of its buildings. Armed with rifles they fell into conflict with the workmen, a miniature military campaign was carried on, lives were lost and large amounts of property destroyed. Eventually the entire militia of the state had to be called out to maintain peace.

It remained, however, for Chicago and the year 1894 to present one of the most far-reaching, costly and complex labor upheavals that has ever disturbed industrial relations in America. So ill understood at the time were the real facts of the controversy that it is doubtful whether it is possible even now to distinguish between truth and rumor in regard to some of its aspects.

The town of Pullman, near Chicago, was the home of the Pullman Palace Car Company, a prosperous cor-

poration with a capital of $36,000,000. It provided houses for its employees, kept up open stretches of lawn, flower beds and lakes. In 1893 and 1894, when general business conditions were bad, the Company reduced the wages of its workmen about twenty-five per cent. A committee of the men asked for a return to former rates, but they were refused, three members of the committee were laid off, and the employees then struck. Late in June, 1894, the American Railway Union, to which many of the workmen belonged, took up the side of the men, and the General Managers' Association, comprising officials of twenty-four roads entering Chicago, took the side of the Company. Through the entry of the Union and the Association, the relatively unimportant Pullman affair expanded to large proportions. Violence followed; cars were tipped over and burned; property was stolen and tracks ruined; and eventually the United States government was drawn into the controversy.

Numerous complaints having reached Washington that the mails were being obstructed and interstate commerce interfered with, President Cleveland decided to send troops to Chicago. The Constitution requires that the United States protect states against domestic violence on the application of the legislature, or of the executive when the legislature is not in session. Moreover the statutes of the United States empower the President to use federal force to execute federal laws. The position taken by the Governor of Illinois, John P. Altgeld, was expressed in his telegram to President Cleveland protesting against the action of the executive:

> Should the situation at any time get so serious that we can not control it with the State forces, we will promptly and freely ask for Federal assistance; but until such time I protest

with all due deference against this uncalled-for reflection upon our people, and again ask for the immediate withdrawal of these troops.

The President replied that troops were being sent in accordance with federal law upon complaint that commerce and the passage of the mails were being obstructed. A somewhat acrimonious correspondence between the Governor and the President resulted but the troops were retained and assisted in bringing the strike to a conclusion.

The attitude of the courts, meanwhile, had brought up a serious situation. On July 2 a "blanket injunction" was issued by the United States District Court of Illinois and posted on the sides of the cars. It forbade officers, members of the Union and all other persons to interfere in any way with the operation of trains or to force or persuade employees to refuse to perform their duties. Under existing law, anybody who disobeyed the injunction could be brought before the Court for contempt, and sentenced by the judge without opportunity to bring witnesses and to be tried before a jury. When Eugene V. Debs, the president of the Union, and other officers continued to direct the strike they were arrested for contempt of court and imprisoned.[1] With federal troops against them and their officers gone, the strikers could hardly continue and gave up in defeat. The loss in property and wages had already reached $80,000,000.

The apportionment of the blame for so appalling a controversy was not a simple task. On the one hand, a writer in the *Forum* declared that

[1] The Court based its action mainly on the provisions of Section 2 of the Sherman anti-trust law, which thus had an unforeseen effect. The Supreme Court upheld the action, although on broader grounds. Above, p. 256, cf. 159 *U. S. Reports*, 564.

The one great question was of the ability of this Government to suppress insurrection. On the one side was the party of lawlessness, of murder, of incendiarism, and of defiance of authority. On the other side was the party of loyalty to the United States.

But this was a superficial view. A commission of investigation appointed by President Cleveland looked into the matter more deeply. Its unanimous report made important assertions: the Pullman Company, while providing a beautiful town for its employees, charged rents twenty to twenty-five per cent. higher than were charged in surrounding towns for similar accommodations, and the men felt a compulsion to reside in the houses if they wished to retain their positions; when wages were reduced, the salaries of the better paid officers were untouched, so that the burden of the hard times was placed on the poorest paid employees; there was no violence or destruction of property in Pullman, and much of the rowdyism in Chicago, but not all of it was due to the lawless adventurers and professional criminals who filled the city at that time; [1] when various public officials and organizations attempted to get the Company to arbitrate the dispute, the uniform reply was that the points at issue were matters of fact and hence not proper subjects for arbitration; and the Managers' Association selected, armed and paid 3,600 federal deputy marshals who acted both as railroad employees and as United States officers, under the direction of the Managers.

In view of the amount of labor disturbance after the Civil War, it was noteworthy that it attracted the interest of political parties to so slight a degree previ-

[1] In 1893 the "World's Fair" in Chicago had celebrated the four hundredth anniversary of the landing of Columbus, and many of the criminals attracted by the event had remained in the city.

ous to 1896. In general the national platforms of the two large parties reflected an indefinite if not remote concern with the welfare of the wage earner. It was urged, to be sure, by both protectionists and tariff reformers that customs duties should be framed with the welfare of the laborer in mind, but the sincerity of this concern was sometimes open to question. The smaller parties, as usual, were far less vague in their demands. The Labor Reformers in 1872 demanded the eight-hour day, for example; the Greenbackers had a definite program for relief in 1880; the Anti-Monopolists in 1884 and the Union Labor and the United Labor parties in 1888. By 1892 the great parties found themselves face to face with a growing labor vote. The labor planks in the two platforms of that year were strikingly similar. Each called for federal legislation to protect the employees of transportation companies, but looked to the states for the relief of employees engaged in manufacturing. Neither the Socialist Labor party nor the Populists, however, were greatly troubled by the question of the proper distribution between state and nation of the responsibility for the welfare of the wage earner. Both proposed definite action; both urged the reduction in length of the working day. The Populists condemned the use of Pinkertons in labor disputes and the Socialists urged arbitration, the prohibition of child labor, restrictions on the employment of women in unhealthful industries, employers' liability laws and the protection of life and limb.

In brief, then, the situation of the wage-earning classes in the middle nineties was becoming accurately defined. The strike as a weapon was open to serious objections. The leaders of the two large parties had given no evidence of an effective and immediate interest in labor unrest. The other political parties were

too small to afford chances of success. If less reliance was to be placed upon the strike and more upon political action, either a third party must be constructed or the leadership in one of the old ones must be seized. When the conference of labor officials met in Chicago and concluded that the Pullman strike was lost, it issued an address to the members of the American Railway Union advising a return to work, closer organization of the laboring class and the correction of industrial wrongs at the ballot box. If this advice should be taken, and if the wage earner should attempt to control legislation for his economic interest, as the propertied class had long been doing for its benefit, the struggle might be shifted to the political arena. The interest of the workers in the South and West in the Populist movement suggested the possibility that such a shift might occur.

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CHAPTER XV

MONETARY AND FINANCIAL PROBLEMS

THE critical monetary and financial situation during Cleveland's second administration is understandable only in the light of a series of acts which were passed between 1878 and 1893. It will be remembered that in the former year the Bland-Allison act had provided for the purchase and coinage of two million to four million dollars' worth of silver bullion per month, and that the force behind the measure had been found chiefly among westerners who wished to see the volume of the currency increased and among mine owners who were producing silver.

The passage of the law did not end all opposition to the greater use of silver, nor did it solve all our monetary difficulties. In the first place, the United States sent delegates to an International Monetary Conference in Paris, in conformity with one of the provisions of the Bland-Allison act, to discuss a project for the utilization of silver through an agreement among the commercial nations of the world. No tangible results were obtained, however, so that it was plain that for the time, at least, the United States would be alone in its attempt to bring about the greater use of the white metal. In the meantime the law was put into operation, and the secretary of the treasury exercised his option by purchasing the minimum amount, two million dollars' worth of bullion. It was impossible to keep the coins in circulation, how-

ever, mainly because of their weight, and the policy was therefore adopted of storing part of the silver in the government vaults and issuing paper "silver certificates" in its place. As these were of small denominations and circulated on a par with gold, no immediate difficulty was experienced in making them part of the currency supply of the country.

The currency question, nevertheless, remained as complicated as ever and the differences of opinion upon it as diverse as before. The market price of silver steadily declined through the eighties and the bullion value of the metal in a dollar sank from ninety-three cents in 1878 to less than seventy-one cents in 1889. Both Republican and Democratic secretaries of the treasury gave warning that the inflow of silver into the currency supply was too great. President Arthur urged the repeal of the Bland-Allison act in his first annual message; President Cleveland again and again reiterated the same advice, warning Congress of the danger that silver would be substituted for gold. The argument of the opponents of silver could hardly be stated in more concise or complete terms. As soon as the supply of currency became too great, he asserted, the unnecessary portion would go out of circulation;[1] it was the experience of nations that the more desirable coin—gold, in this case—would be hoarded by banks and speculators; it would then become apparent that the bullion value of the gold dollar was greater

[1] According to the principle known as Gresham's law, bad money tends to drive out good; or overvalued money to drive out undervalued money. If the face value of a coin is more than its worth as bullion, it is "overvalued." Thus, if coins of equal face value, but of different bullion value, circulate side by side, there will be a tendency for the possessors of the coins to pass on the currency with the smaller bullion value and to withdraw the others for sale as bullion and for use in the arts.

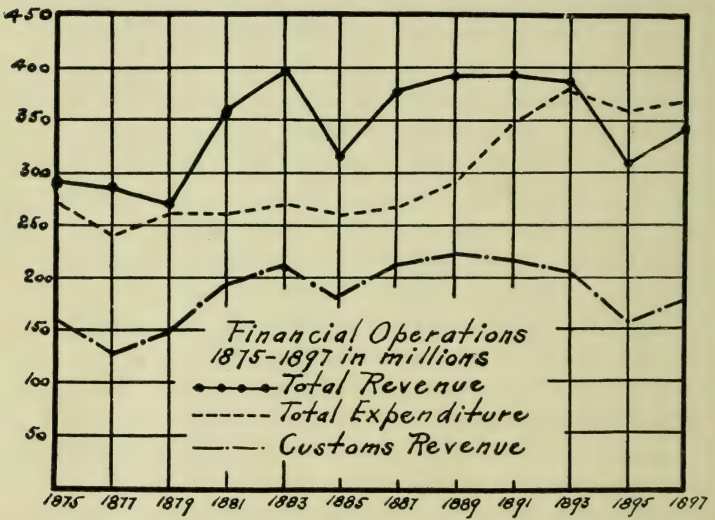
than that of the silver dollar and the two coins would part company; those who, in such a contingency, could get gold dollars would demand a premium for them, while the laboring man, unable to demand gold, would find his silver dollar sadly shrunken in value.

Although the coinage of silver in the twelve years during which the Bland-Allison act was in force amounted to $378,000,000, the danger that Cleveland's prophecy would come to pass was lessened by several facts. The country was, in the first place, passing through a period of industrial expansion that required an enlarged circulating medium; the revenues of the government were exceeding expenditures, and part of the surplus was being stored in the vaults in Washington; and the volume of the national bank notes shrank more than $158,000,000 between 1880 and 1890. Falling prices for agricultural products continued to keep western discontent alive and far from being convinced by Cleveland's warnings, western conventions and representatives in Congress continued to urge legislation to increase the amount of silver to be coined, and free-coinage bills were constantly introduced and frequently near passage. Manifestly the demand that something more be done for silver was not at an end.

Although agitation over the use of silver currency resulted in no further important legislation for the time being, the general financial situation was complicated by a series of important acts. During the eighties the federal revenues mounted to an unprecedented height and as expenses did not increase proportionately, a surplus of large and finally of embarrassing and dangerous size appeared.

Between 1880 and 1890 it averaged more than $100,000,000 annually. Although part of it was used to reduce the public debt, the remainder began to accumu-

late in the treasury and thereby seriously reduced the amount of currency available for the ordinary needs of business. In 1888, for example, the surplus in the treasury was one-fourth as great as the entire estimated sum outside. The one device for doing away with the surplus upon which all leaders could unite was the reduction of the national debt. Between 1879



and 1890 over $1,000,000,000 were thus disposed of. Yet even this process raised difficulties. Although a portion of the debt came due in 1881 and could be redeemed at the pleasure of the government, other bonds were not redeemable until 1891 and 1907, unless the federal authorities chose to go into the market and buy at a premium. Eventually this was done for a time, although prices were thereby forced up to 130 in 1888, and as a result the redemption of $95,000,000 during the year cost more than $112,000,000. The treasury also adopted the expedient of depositing

surplus funds in banking institutions, but the plan was open to serious objections. In order to qualify for receiving government deposits the banks had to present United States bonds as security, but these were already at a high premium because of purchase by the treasury itself. There remained, therefore, two general policies which might be followed—reduction of revenue or enlargement of expenditure.

Both parties were theoretically committed to the economical conduct of the nation's business, but Republican advocacy of a high tariff tended to restrict that party's answer to the surplus problem. The revenue came largely from tariff and internal taxes. The latter were reduced, as has been seen, by the tariff act of 1883, but the redundant income continued. The Republicans then faced the alternative of lowering the customs or turning to the policy of increased expenditure. The latter policy would delay the reduction of duties and was in line with the Republican tendency toward increased federal activity. For the Democrats the problem was easier. Since the party was tending toward advocacy of low customs duties, had constantly condemned Republican extravagance in administration and was traditionally the party of a restricted national authority, it was logical to turn to severe reduction of revenue in order to solve the problem of the surplus.

President Cleveland's political and personal philosophy led toward economy in expenditure and therefore toward revenue reduction. By nature he was frugal; in politics, a strict constructionist. In vetoing an appropriation bill he succinctly set forth his creed:

> A large surplus in the Treasury is the parent of many ills, and among them is found a tendency to an extremely liberal, if not loose, construction of the Constitution. It also attracts

the gaze of States and individuals with a kind of fascination, and gives rise to plans and pretensions that an uncongested Treasury never could excite.

The Republicans were becoming committed to the policy of large expenditures. President Harrison, to be sure, in his first annual message urged the reduction of receipts, declaring that the collection of money not needed for public use imposed an unnecessary burden upon the people and that the presence of a large surplus in the treasury was a disturbing element in the conduct of private business. Nevertheless such party leaders as Reed and McKinley, who effectively controlled the legislation of the Harrison administration, acted on the philosophy of Senator Dolph:

> If we were to take our eyes off the increasing surplus in the Treasury and stop bemoaning the prosperity of the country, . . . and to devote our energies to the development of the great resources which the Almighty has placed in our hands, to increasing (our products) . . . to cheapening transportation by the improving of our rivers and harbors, . . . we would act wiser than we do.

Congress was more inclined to follow the policy suggested by Dolph than that proposed by Cleveland. One project was the return of the direct tax which had been levied on the states at the outbreak of the Civil War. At that time Congress had laid a tax of $20,000,000 apportioned among the states according to population. About $15,000,000 had been collected, mainly, of course, from the northern states. It was suggested that the levy be returned, a plan which would give the northern states a return in actual cash and the southern states "the empty enjoyment of the remission from a tax which no one now dared to suggest was ever to be made good." President Cleveland had

vetoed such a bill, during his first administration, believing it unconstitutional and also objectionable as a "sheer, bald gratuity." Under the Harrison administration the scheme was revived and carried to completion, March 2, 1891.

Pension legislation was even more successful as a method of reducing the unwieldy surplus. Garfield had declared in 1872, when introducing an appropriation bill in the House of Representatives, "We may reasonably expect that the expenditures for pensions will hereafter steadily decrease, unless our legislation should be unwarrantably extravagant," and in fact the cost of pensions for 1878 had been lower by more than $7,000,000 than in 1871. The Arrears act of 1879 had given a decided upward tendency to pension expense, which amounted to over $20,000,000 more in 1880 than in 1879. The surplus was a constant invitation to careless generosity. Liberality to the veteran was a patriotic duty which lent itself to the fervid stump oratory of the time and presented an opportunity to the undeserving applicant to place his name on the rolls of pensioners along with his more worthy associates. Besides, an administration which seemed niggardly in its attitude toward the veterans was certain to lose the soldier vote, and neither party was willing to incur such a risk. Hence, despite Cleveland's vetoes of private pension legislation, hundreds of such measures passed during his first term. The Harrison administration proceeded upon the President's theory that it "was no time to be weighing the claims of old soldiers with apothecary's scales." A dependent pension bill like that which President Cleveland vetoed in 1887 was passed in 1890. The list of pensioners more than doubled in length; the number of applications for aid increased tenfold in two years.

It became necessary for President Harrison to displace his over-liberal commissioner of pensions, but the mischief was already done. The total yearly pension expenditure quickly mounted beyond the one hundred million mark, where it has remained ever since. Indeed, the cost of pensions in 1872 when Garfield made his prophecy was less than one-sixth as great as in 1913. Large pension expenditure was clearly a permanent charge.

The improvement of the rivers and harbors of the country has always been a ready means of disposing of any embarrassing surplus and of assisting Congressmen to get money into their districts. "Promoters of all sorts of schemes, beggars for the widening of rivulets, the deepening of rills," clustered about the treasury during the eighties. During the early seventies expenditure on this account had not reached $6,500,000 annually, although in 1879 it exceeded $8,000,000. In 1882, the year of the mammoth surplus, Congress passed over Arthur's veto a bill carrying appropriations which amounted to almost nineteen million dollars.[1] Expenditures were somewhat reduced in the years immediately following, and Cleveland continued the repressive policy of his predecessor. Harrison in his first message to Congress in December, 1889, recommended appropriations for river and harbor improvement, although deprecating the prosecution of works not of public advantage. The recommendation fell upon willing ears and appropriations for undertakings of this sort at once increased again. Expenditure for rivers and harbors, like that for pensions, remained at a high level, the wise and necessary portions of such measures being relied upon to carry the unwise and unnecessary ones.

[1] Above, p. 164.

A project which lacked many of the unpleasant features of river and harbor legislation was the Blair educational bill, which proposed to distribute a considerable portion of the surplus among the states. As discussion of the Blair bill proceeded, it became clear that its results might be more far-reaching than had been anticipated. A gift from the national government seemed sure to retard local efforts at raising school funds and would initiate a vicious tendency to rely on federal bounty. Hence although the Senate passed the bill in 1884, 1886 and 1888, it never commended itself sufficiently to the House and eventually was dropped.

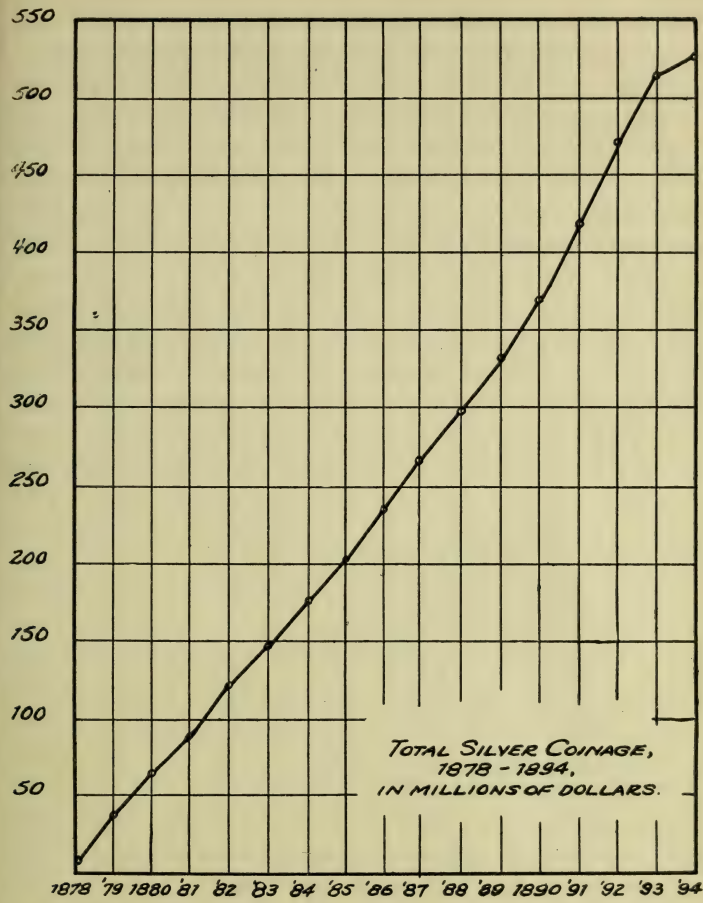
A small portion of the increased expenditure in the eighties was due to improvements in the navy, in which both parties shared. Presidents Arthur and Cleveland urged upon Congress the need of modern defences. Progress was slow and difficult. Although the day of steel ships had come, the American navy was composed of wooden relics of earlier days. The manufacture of armor and of large guns had to be developed, and skill and experience accumulated. Results began to appear in the late eighties when the number of modern steel war vessels increased from three to twenty-two in four years. Expenditures mounted from less than $14,000,000 in 1880 to over $22,000,000 in 1890.

As effective as new expenditure was the McKinley tariff act of 1890, the details of which from the point of view of tariff history have already been noted.[1] The extremely high rates levied under that legislation caused a slight reduction in customs revenue in 1891 and a sharp decline in 1892. Moreover the coincidence of instability in the currency system, business

[1] Above, pp. 238–240.

depression and the relatively high Wilson-Gorman tariff schedules of 1894 continued the decline of income from customs during the middle nineties.

In the meantime the silver agitation, which had been somewhat repressed by the well-known attitude of Cleveland during his first administration revived with increased vigor. The election of 1888, it will be remembered, had turned wholly on the tariff and had been a victory for the Republicans. The western states had almost uniformly supported Harrison in the election and during 1889 four more were admitted to the Union. Their representatives in Congress were mainly silver advocates. In his first message to Congress the President declared that the evil anticipations which had accompanied the use of the silver dollar had not been realized but he feared nevertheless that either free coinage or any "considerable increase" of the present rate of coinage would be "disastrous" and "discreditable." He announced that a plan would be presented by the Secretary of the Treasury, to which he had been able to give only a hasty examination. The scheme for expanding the silver coinage which the Secretary, William Windom, presented was not acceptable to Congress, but the result of the agitation was the law generally known as the Sherman silver purchase act, which was passed on July 14, 1890. It directed the secretary of the treasury to purchase 4,500,000 ounces of silver bullion per month and to issue in payment "Treasury notes of the United States." These notes were legal tender for all debts and were receivable for customs and all public dues. Further, the secretary was directed to redeem the notes in gold or silver at his discretion, "it being the established policy of the United States to maintain the two metals on a parity with each other."



NOTE: BY THE ACT OF 1890 THE SILVER PURCHASED WAS PAID FOR IN TREASURY NOTES. AFTER THAT DATE, THEREFORE, THE CHART INDICATES THE TOTAL COINAGE OF SILVER TOGETHER WITH TREASURY NOTES ISSUED FOR THE PURCHASE OF BULLION.

The silver to be purchased was substantially the total output of the American mines. Fearing the strength of the silver element in the Senate and doubtful of the position which the President might take, former Secretary Sherman, now in the Senate, supported the act, although confessing that he was ready to vote for repeal at any time when it could be done without substituting free coinage. The provision for the purchase of four and one-half million ounces instead of four and one-half million dollars' worth was introduced at Sherman's suggestion. This clause kept the amount to be absorbed at a uniform level, whereas the purchase of a fixed number of dollars' worth would have increased the coinage when the price of bullion fell. The vote on the Sherman act was strictly partisan—no Republicans opposing it and no Democrats favoring it when the measure was finally passed, although 116 members of the House failed to answer to their names on the roll-call.

In view of the fact that the industrial and commercial countries of Europe were almost universally reducing their silver coinage, the passage by the United States of an act which substantially doubled the amount of silver purchased under the Bland-Allison law seems extraordinary. Moreover, only six years later a presidential campaign was fought almost wholly on the silver issue and at that time the Republican party resolutely opposed free coinage. It is obvious that powerful forces must have been at work to align the party so unitedly in behalf of the Sherman law. It was to be expected that western Republicans would support it, but the eastern members were found voting for it as well. Doubtless many things contributed to the result. Some perhaps agreed with Sherman that the silver advocates were so strong that free coinage

would result in case Congress refused to pass legislation of any kind. Some may have feared with Platt of Connecticut, that a party split would ensue unless the wishes of the westerners were acceded to—hence an act which gave liberal assistance to silver to please the West and South but stopped short of free coinage so as to please the East. That opportunist politics had an influence with certain members is indicated by the remarks of a Massachusetts Republican representative who later favored the gold standard:

> It is pure politics, gentlemen; that is all there is about it. We Republicans want to come back and we do not want you (to the Democratic side) to come back in the majority, because, on the whole, you must excuse us for thinking we are better fellows than you are. That is human nature, that is all there is in this silver bill (laughter on the Republican side); pure politics.

A Democrat who favored free coinage denounced the act as "Janus-Faced," moulded so as to look like silver to the West and gold to the East. Important, also, seems to have been the attitude of the western members on the tariff. The party had returned to power on the tariff issue and it seemed necessary to pass some sort of legislation on the subject. Yet the party majority in Senate and House was slight and the westerners were understood to be ready to defeat the McKinley bill which was then pending, unless something was done for silver. Harrison seems to have been unwilling to endanger successful tariff legislation by opposing the considerable extension of the coinage of silver.[1]

Contrary to the expectations of the proponents of

[1] The law remained in force about three years. During that interval nearly $156,000,000 worth of silver bullion was purchased with the new treasury notes. The government began retiring these notes in 1900.

the act, the price of silver fell gradually until the value of the bullion in a dollar was sixty cents in 1893 and forty-nine cents in 1894. They who had opposed the law saw their fears verified; as they had prophesied, silver began to replace gold in circulation; the latter was hoarded and used for foreign shipments; customs duties, which had hitherto been paid largely in gold, were now paid in paper currency; since gold was now more desired than silver, large amounts of paper were presented to the government for redemption in the more valuable metal. To be sure, the Sherman law allowed the secretary of the treasury to redeem the treasury notes of 1890 in gold or silver at his discretion, but it contained a proviso that the established policy of the United States was to maintain the two metals on a parity or equality. The secretary believed that if he refused to redeem the treasury notes in whatever coin the holder desired, that is if he insisted on redemption in silver only, a discrimination would be made in favor of gold and the equality of the two metals would be destroyed. Parity would be maintained, the government held, only when any kind of money could be exchanged for any other kind, at the option of the holder.

For the redemption of the greenbacks, the government had since 1879 maintained a fund known as the gold reserve. No law fixed its amount, but custom had set $100,000,000 as the minimum. Hitherto a negligible amount of paper had been presented for redemption, but as soon as the Sherman law came into effective operation the demand for gold became increasingly great and the level of the reserve promptly fell. Between July 1, 1890, and July 15, 1893, the supply of gold in the treasury decreased more than $132,000,000, while the stock of silver increased over $147,-

000,000. Evidently silver was replacing gold in the treasury, and it was equally clear that a continuation of the process would result in forcing the government to pay its obligations in silver and to refuse to redeem paper in gold—in other words, go upon a silver standard.

The situation when Cleveland's second administration began on March 4, 1893, was complex and critical. The annual expenditures had increased by $119,000,000 between 1880 and 1893, while the revenue had expanded by only half that amount; the surplus had decreased every year during Harrison's administration and a deficit had been avoided only by the cessation of payments on the public debt; the supply of currency in circulation was being heavily increased by the operation of the Sherman law; and the gold reserve had been kept at the traditional amount only through extraordinary efforts on the part of Harrison's Secretary of the Treasury as the administration came to a close.

Cleveland's attitude toward the Sherman law was well-known. He had long urged the repeal of the Bland-Allison act; before the election of 1892 he had predicted disaster in case the nation entered upon "the dangerous and reckless experiment of free, unlimited, and independent silver coinage"; it was his belief that the distresses under which the country labored were due principally to the Sherman silver purchase law. He therefore called a special session of Congress for August 7, (1893), sent a message giving a succinct account of the operation of the law and urged its immediate repeal.[1] In the House, repeal was voted with

[1] The call for the extra session, together with news of the suspension of free-coinage in India, sent the bullion price of silver down twenty-one cents per ounce in two weeks. The President was seriously handicapped

surprising promptness, although a strong free-silver element fought vigorously to prevent it. That party lines were broken was indicated by the fact that two-thirds of the Democrats and four-fifth of the Republicans voted in accord with the President's request.

In the Senate the silver advocates were stronger. The entire history of coinage was discussed at length. Members who favored repeal disliked to overturn the tradition of the Senate which allowed unlimited debate, and the silver senators therefore filibustered through the summer and early fall. Senator Jones of Nevada made a single speech that filled a hundred dreary pages of the *Congressional Record.* Senator Allen of Nebraska quoted more than thirty authorities, ranging from the Pandects of Justinian to enlivening doggerel poetry. Feeling ran high. In the West, Jones, Allen and others were looked upon as heroes; in the East, as villains. To a satirical onlooker it seemed that the nation had become insanely obsessed with the question of repeal:

> All men of virtue and intelligence know that all the ills of life—scarcity of money, baldness, the comma bacillus, Home Rule, . . . and the Potato Bug—are due to the Sherman Bill. If it is repealed, sin and death will vanish from the world, . . . the skies will fall, and we shall all catch larks.

Not until October 30 were the silver supporters overcome. Including members who were paired, twenty-two Democrats and twenty-six Republicans favored repeal, and twenty-two Democrats, twelve Republicans and three Populists opposed. Again the West and South were aligned against the North and East. The

at this time by a cancerous growth in the jaw, necessitating an operation, news of which was withheld from the public for fear of its ill effect on the financial situation. Cf. *Saturday Evening Post,* 22 Sept., 1917.

Democratic party was divided and charges and countercharges had been made that augured ill for party success, as has been seen, in dealing with the tariff and other important problems.[1] Worst of all, the chief question—the volume and content of the currency—was still unanswered. Something had been done for silver—and undone—but there was no scientific settlement of the problem.

The disastrous financial and industrial crisis of 1893 made yet more complex the already tangled skein of economic history during President Cleveland's second administration. The catastrophe has been ascribed to a variety of causes but the relative importance of the various factors is still a matter of disagreement. Rash speculation on the part of industrial interests here and abroad seems to have made weak links in the international commercial chain; financial conditions both in Germany and in Great Britain were precarious during the early part of 1890; the collapse of the Philadelphia and Reading Railroad in February, 1893, and of the National Cordage Company soon afterwards were warnings of what was to follow; the silver purchase law produced widespread fear that the United States would not be able to continue the redemption of paper currency; and the change of political control had produced the usual feeling of uncertainty. The dwindling of the gold reserve, which has already been mentioned, assisted in causing a critical situation. Foreign investors, fearful of financial conditions here, sold their American railroad and other securities and received payment in gold. The one place where the yellow metal could be readily obtained was the United States treasury and upon it the strain centered. People attempted to turn property of all kinds into gold

[1] Above, p. 274.

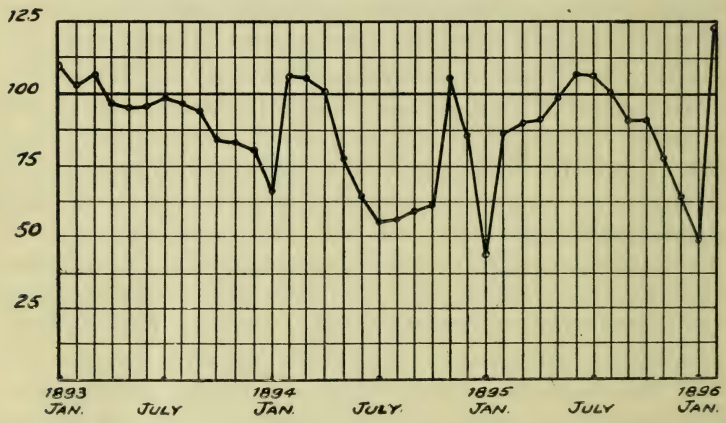
before the existing standard should change to a depreciated silver basis. At the same time there was a rush to the banks to withdraw funds, and the visible supply of currency therefore was seriously reduced. "Under these conditions gold seemed scarce. In reality gold was only relatively scarce in comparison with the abnormal offering of property for sale on account of the fear of the silver standard." In an incredibly short time, currency became so scarce as to create a genuine panic and was purchased like any commodity at premiums ranging from one to three per cent. In order to enable their families to pay the running expenses of every day at the summer resorts, business men were compelled to buy bills and coin and send them in express packages. The national banks were unable to supply the demand for currency so quickly, and 158 of them failed in 1893 and hundreds of state and private financial institutions were forced to close their doors. Industrial firms were affected by the uncertainty and panic and over 15,000 failures resulted, with liabilities amounting to $347,000,000 in the single year. Production of coal and iron fell sharply; railway construction nearly ceased and the value of securities shrank to a fraction of their former value. The distress among the wage-earners became extreme; unemployment was common; strikes, like that beginning in Pullman in 1894, were bitter and prolonged. "Coxey's army," composed of unemployed workmen, marched to Washington with a petition for relief.

As is usually the case in our politics, the blame for the industrial disturbance was laid at the door of the party in power. The argument of an Ohio congressman in the debate over the repeal of the Sherman law typified the political use made of the crisis of 1893.

Until November, 1892, the orator declared, prosperity was undimmed. "Iron furnaces throughout the country were in full blast, and their cheerful light was going up to heaven notifying the people of the United States of existing prosperity and warning them against change of conditions." Then came the election of the party "which had declared war on the system upon which our whole industrial fabric had been erected." "One by one the furnaces went out, one by one the mines closed up, one after another the factories shortened their time." Business interests, he asserted, were fearful of Democratic rule and especially of tariff reform; hence prosperity and confidence could be renewed only by leaving the Sherman law intact and by refusing to undertake any sweeping revision of the protective tariff.

Further to complicate the financial trials of the burdensome mid-nineties, the depletion of the gold reserve demanded immediate attention. During the closing months of President Harrison's administration, in fact, the Secretary of the Treasury had ordered the preparation of plates for engraving an issue of bonds by which to borrow sufficient gold to replenish the redemption fund. By a personal appeal to New York bankers, however, he was able to exchange paper for gold and so keep the level above the one hundred million mark, and when Cleveland succeeded to the chair, the reserve was $100,982,410. In the meantime the scarcity of gold continued, and the combination of large expenditures and slender income severely embarrassed the government in its attempts to obtain a sufficient supply of gold to keep the reserve intact. The administration, indeed, was all but helpless. Paper presented for redemption in gold had to be paid out to meet expenses and was then turned in for gold

again. Hence, as Cleveland ruefully reminded Congress, "we have an endless chain in operation constantly depleting the Treasury's gold and never near a final rest." On April 22, 1893, the reserve fell momentarily below $100,000,000 and later in the year it was apparent that the reduction was likely to become permanent. By January, 1894, the reserve was less than $70,000,000, while $450,000,000 in paper which



NET GOLD IN THE TREASURY, BY MONTHS, JAN., 1893 TO FEB., 1896, IN MILLIONS OF DOLLARS.

might be presented for redemption were in actual circulation. Only one resource seemed available—borrowing gold. The treasury therefore sold bonds to the value of $50,000,000. Even this, however, did not remedy the ill. Bankers obtained gold to purchase bonds by presenting paper currency to the government for redemption. Relief was temporary. On the last day of May the reserve amounted to only $79,000,000; in November, to $59,000,000. Another issue of bonds was resorted to in November, but the results were not better than before. At the same time the Pullman

strike during the summer months, the Wilson-Gorman tariff fiasco and an unfortunate harvest seemed to indicate that man and nature were determined to make 1894 a year of ill-omen.

By February, 1895, the treasury found itself confronted with a reserve of only $41,000,000. It seemed useless to attempt borrowing under the usual conditions, and Cleveland therefore resorted to a new device. A contract was made with J. P. Morgan and a group of bankers for the purchase of 3,500,000 ounces of gold to be paid for with United States four per cent. bonds. In order to protect the reserve from a renewed drain, the bankers agreed that at least half the gold should be obtained abroad, and they promised to exert all their influence to prevent withdrawals of gold from the treasury while the contract was being filled. The terms of the contract were favorable to the bankers, but the President defended the agreement on the ground that the promise to protect the reserve entitled the bankers to a favorable bargain. The fact, however, that the Morgan Company was able to market the bonds with the public and make a large profit, increased the demand that the administration sell directly to the people and make the profit itself. In January, 1896, occurred a fourth sale—to the public, this time—and 4,640 bids were received, for a total several times greater than the $100,000,000 called for. By this time, business conditions were improving, confidence was restored among the financial classes and gold again began to flow out of hiding and into the treasury. The endless chain was broken.

The denunciation which Cleveland received for the untoward monetary and industrial events of his administration was unusual even for American politics in the middle nineties. Such extreme silver men as

Senator Stewart of Nevada declared that Cleveland's second administration was probably the worst administration that ever occurred in this or any other country; that he was a bold and unscrupulous stock-jobber; that he deliberately caused the panic of 1893 and that he sent the Venezuela message in order to divert the attention of the people from the silver question. The New York *World* described the transaction between the government and the Morgan Company as a "bunco" game, and charged that Cleveland had dishonest, dishonorable and immoral reasons for bringing about the transaction and that he did it for a "consideration." Representative W. J. Bryan, who belonged to the President's party and who ordinarily was chivalrous to his opponents, declared that Cleveland could no more escape unharmed from association with the Morgan syndicate than he could expect to escape asphyxiation if he locked himself up in a room and turned on the gas. The Democratic party, he thought, should feel toward its leader as a confiding ward would feel toward a guardian who had squandered a rich estate, or as a passenger would feel toward a trainman who opened a switch and precipitated a wreck.

BIBLIOGRAPHICAL NOTE

The standard works, mentioned under Chapter V, by Dewey, Hepburn and Noyes continue valuable. The attitude of Hayes and of succeeding Presidents is found in J. D. Richardson, *Messages and Papers of the Presidents;* F. W. Taussig, *The Silver Situation in the United States* (1892), is concise; *Political Science Quarterly,* III, 226, discusses the surplus revenue; *Quarterly Journal of Economics,* III, 436, on the direct tax; W. H. Glasson, *Federal Military Pensions,* has already been mentioned. W. J. Lauck, *Causes of the Panic of 1893* (1907), lays the blame for the industrial distress of

1893 wholly on the silver law of 1890. On the gold reserve, consult Grover Cleveland, *Presidential Problems;* D. R. Dewey, *National Problems* (1907); *Political Science Quarterly,* X, 573; and *Quarterly Journal of Economics,* XIII, 204. "The Silver Debate of 1890," in *Journal of Political Economy,* I, 535, contains a detailed account of the discussion in Congress. W. J. Bryan, *First Battle* (1897), should be consulted.

CHAPTER XVI

1896

THE political situation in 1896, when the parties began to prepare for the presidential election, was more complex than it had been since 1860. The repeal, in 1893, of the purchase clause of the Sherman silver act had divided the Democrats into factions; the financial and industrial distress in the same year had been widely attributed to fear of Democratic misgovernment; the Wilson-Gorman tariff act of 1894 had discredited the party and aroused ill-feeling between the President and Congress; the Pullman strike and the use of the injunction had aroused bitterness in the labor element against the administration; the income tax decision of 1895 had done much to shake popular confidence in the Supreme Court; the Hawaiian and Venezuelan incidents had caused minor dissent in some quarters; and the bond sales had made Cleveland intensely unpopular in the West and South. The Democratic party was demoralized and leaderless. The Republicans were better off because they had been out of power during the years of dissension and panic, but they had been without a leader since the death of Blaine in 1893 and were far from united in regard to the most pressing issues. Indeed, the sectional differences in both parties, and the unexpected strength of the Populist movement caused no little anxiety among the political leaders. And finally, the volume and character of the currency was still undetermined. The

Democrats had divided on the question. The Republicans were almost as little united; they had played politics in passing the Sherman silver act and three years later had assisted a President of the opposite party in accomplishing the repeal of its most important provision. From the standpoint of the silver supporters neither party organization was to be trusted. The outstanding political questions of 1896, therefore, were whether the supporters of silver could capture the machinery of one of the parties and whether the other unsettled issues could ride into the campaign on the strength of the financial agitation. The answers to these questions gave the campaign and election its peculiar significance.

The background of 1896 is to be found in the South and West, where the farmers' alliances and the Populist party continued their success in arousing and directing the ambitions of the discontented classes. In 1892, it will be remembered, the Populists had cast more than a million ballots and had chosen twenty-two presidential electors, two senators, and eleven representatives. In 1894, at the time of the congressional election, they had increased their voting strength more than forty per cent., and had elected six senators and six members of the House, besides several hundreds of state officials. In the Senate it happened that the two great parties had been almost equally strong, after the election of 1894, so that the Populist group had held the balance of power. The insistence of the South and West that Congress do something further for silver had not lessened. A measure providing for the coinage of a portion of the silver bullion in the treasury had been defeated in 1894 only through the President's veto. Indeed the only hope of the East and of the supporters of the gold standard was the unflinch-

ing determination of the head of a party to which the East and the gold supporters were, in the main opposed.

The growing enthusiasm for silver which was sweeping over the South and West and rapidly developing into something resembling frenzy was difficult for the more stolid East to comprehend. Not merely the politician, but the man on the street and in the store, the school-teacher, the farmer and the laborer, in those portions of the country, fell to discussing the virtues of silver as currency and the effect of a greater volume of circulating medium upon prices and prosperity. The two metals became personified in the minds of the people. Gold was the symbol of cruel, snobbish plutocracy; silver of upright democracy. Gold deserted the country in its hour of need; silver remained at home to minister to the wants of the people. Such arguments as those presented in *Coin's Financial School,* published in 1894, brought financial policy within the circle of the emotions of its readers even if they did not satisfy the more critical student of monetary problems. This influential little volume, written by W. H. Harvey, acted as a hand-book of free coinage, cleverly setting forth the major arguments for the increased use of silver and bringing forward objections which were triumphantly demolished. Simple illustrations enforced the lessons taught by its pages: a woodcut of a cripple with one leg indicated how handicapped the country was without the free coinage of two metals; in another, Senator Sherman and President Cleveland were depicted digging out the silver portion of the foundations of a house which had been erected on a stable basis of both gold and silver; in a third, western farmers were seen industriously stuffing fodder into a cow which capitalists were milking for the bene-

it of New York and New England.[1] With the enthusiasm and the sincerity of the early crusaders, the people assembled in ten thousand schoolhouses to debate the absorbing subject of the currency. Indeed the South and West had become convinced that the miseries inflicted upon mankind by war, pestilence and famine had been less "cruel, unpitying, and unrelenting than the persistent and remorseless exaction" which the contraction of the volume of the currency had made upon society. Low prices, the stagnation of industry, empty and idle stores, workshops and factories, the increase of crime and bankruptcy—all were laid at the door of the gold standard.

The East looked upon the rising in the West at first with amusement, and was quite ready to accept the diagnosis of a western newspaper man, quoted by Peck in his *Twenty Years of the Republic:*

> What's the matter with Kansas?
>
> We all know; yet here we are at it again. We have an old moss-back Jacksonian who snorts and howls because there is a bath-tub in the State House. We are running that old jay for Governor. . . . We have raked the ash-heap of failure in the State and found an old human hoop-skirt who has failed as a business man, who has failed as an editor, who has failed as a preacher, and we are going to run him for Congressman-at-large. . . . Then we have discovered a kid without a law practice and have decided to run him for Attorney-General.

Later the East looked upon tendencies in the West with more concern: Roosevelt, although admitting the honesty of the Populists, characterized their ignorance as "abysmal"; others were more inclined to doubt their sincerity; their conventions were supposed to be made up of cranks and unsexed women; and their

[1] I have drawn at this point upon Peck, *Twenty Years of the Republic,* 453–456.

principles were looked upon as "wild and crazy notions."

In fact it was no simple task to distinguish between the legitimate grievances and ambitions of the westerners, and their eccentricities and errors. Nor was this difficulty lessened by the reputation with which some of the proponents of silver were justly or unjustly credited. "Sockless Jerry" Simpson and Mrs. Lease were among them—the Mrs. Lease to whom was ascribed the remark "Kansas had better stop raising corn and begin raising hell!"[1] Benjamin R. Tillman was another—a rough, forceful character, leader of the poor whites and small farmers of South Carolina, organizer of the "wool hats" against the "silk hats" and the "kid gloves"—Governor of the state and later member of the federal Senate. Although a Democrat, he was thoroughly at odds with Cleveland, and publicly declared it was his ambition to stick his pitchfork into the President's sides.[2] Richard P. Bland, of Missouri, had the disadvantage of having been one of the earliest of the silver supporters, since he had initiated the bill which resulted in the Bland-Allison act, and was looked upon in the East as a thorough-going, free-silver radical. Governor Altgeld, of Illinois, leader of the Democrats of that state from 1892 to 1896, was a successful lawyer who was looked upon by his friends as a liberal-minded humanitarian, the friend of

> The mocked and the scorned and the wounded,
> the lame and the poor,

whose sympathies with the laboring classes had given him the support of the reformers and the wage earn-

[1] Peck, 451–453.

[2] For brief accounts of Tillman, see Leupp, *National Miniatures*, 117; N. Y. *Times*, July 4, 1918; N. Y. *Evening Post*, July 3, 1918.

ers. But his pardon of the Haymarket anarchists and his attitude during the Pullman strike had led the East to regard him as a dangerous revolutionist and an enemy to society.[1]

The free-silver movement nevertheless continued to gather momentum. For some years influential silver advocates had been associated in the Bimetallic League, an organization which supported the free coinage of both gold and silver. Among its members were prominent Democrats, Republicans and Populists, especially from the western states, and some of the foremost labor leaders. At one of its meetings in 1893 it was determined to invite every labor and industrial organization in the country to send delegates. A few experts, even in the East, gave some scientific support to the argument for the greater use of silver. Eastern Republicans like Senator Henry Cabot Lodge proposed free coinage of both metals by an international agreement, which, they thought, might be brought about through threats of tariff discrimination against nations refusing to adhere to the arrangement. A silver convention in Nebraska in 1894 was attended by a thousand delegates. From the point of view of party harmony the subject was a nuisance. Democratic state conventions were badly divided. Thirty of them adopted resolutions distinctly favorable to free coinage and fourteen opposed. Ten of the latter committed themselves definitely to the gold standard. The fourteen included all the northeastern states, together with Michigan, Wisconsin and Minnesota. Such gold Democrats as President Cleveland sought to stem the tide, but Cleveland's control over his followers was rapidly dwindling, and it seemed likely that the silver

[1] Cf. Whitlock, *Forty Years of It*, 64 ff.; Altgeld, *Live Questions* and *The Cost of Something for Nothing*.

element of the party might reach out to seize the organization and displace the former leaders.

The Republican professional politicians were as ignorant of technical monetary problems as the Democrats, and moreover did not wish to risk popular disapproval in any section by utterances which might be offensive to that part of the country. The first Republican state convention during 1896 was that in Ohio. Its financial plank was awaited with interest, because of the early date of the meeting and because its proceedings were in the hands of friends of the most prominent candidate for the Republican presidential nomination. The convention dodged the issue by demanding that all our currency be "sound as the Government and as untarnished as its honor," and that both metals be used as currency and kept at parity by legislative restrictions. The New York *Tribune* thought that this could mean nothing but a gold standard; the *Times* was fearful that it would lead to silver; the *Springfield Republican* condemned it as "chock full of double-dealing." Its ambiguity, however, was in line with the purposes and ambitions of two men who were actively preparing for the campaign of 1896 —Marcus A. Hanna and Major William McKinley.

Marcus A. Hanna, or "Mark" Hanna as he was universally known, was an Ohioan, born in 1837.[1] As a young man he entered upon a business career in Cleveland, first in a wholesale grocery company, later in a coal and iron firm and finally in a variety of industrial and commercial enterprises which his energy and ability opened to him. The expansion of industrial America after the Civil War was coincident with the greater part of Hanna's career and he was a typical

[1] In connection with the following pages, consult Croly, *Marcus A. Hanna*, one of the few satisfactory biographies of this period.

product of that period in his political, economic and social philosophy. After he had attained a degree of business success he became actively interested in politics and took a prominent part in placing Joseph B. Foraker in the governor's chair in Ohio in 1885. Strained relations between the two turned Hanna's attention to the fortunes of John Sherman. When it became apparent in 1888 that the presidential campaign would turn upon President Cleveland's tariff principles, Hanna, who looked upon the protective tariff as synonymous with industrial expansion and even of industrial safety, threw his weight upon the side of Sherman, who was again seeking the Republican nomination. The failure of Sherman was a blow to Hanna, but it called to his attention the pleasing personality of a more prominent protectionist, William McKinley. He was an important agent in McKinley's successful campaign for the governorship of Ohio in 1891. Two years later the Governor met serious financial reverses, and again Hanna proved to be a firm friend. Aided by other men of means he rescued McKinley from bankruptcy. Between the two there sprang up a mutual admiration of unusual strength, and finally, in 1894–1895, Hanna withdrew from his business enterprises in order to devote his entire time to the political fortunes of his friend.

Mark Hanna had extraordinary capacity for leadership. Sociable, open-handed, full of energy, direct, aggressive, shrewd, daring, a hard fighter, a loyal friend, an organizer and a man of his word, he was essentially a man of action. In politics he was practical and straight-forward. He wanted results, not reforms, and results meant accepting the prevailing methods and using them. When he wished a street-railway franchise in Cleveland, he bought enough influence with

the city government to get what he wanted, as others of his day did. He was a strict party man; good government and safety to industry, he believed, were dependent upon Republican control. Patriotism therefore demanded his utmost energy in getting Republicans elected. In political campaigns his counsel, his energy and his money were always available. A protective customs tariff, a "sound" currency system and a free hand in the conduct of business were the things which he most desired from the government.

William McKinley would have been a formidable competitor for the presidential nomination in 1896 even without the assistance of his rugged friend. His personality was attractive, in a pleasing, soothing, tactful, ingratiating way. His military career had been honorable even if not famous. For most of the time from 1877 to 1891 he had been a member of the House of Representatives, becoming identified particularly with the high protective tariff and acting as sponsor for the McKinley act of 1890. After being defeated for re-election, just subsequent to the passage of the tariff law, he had become Governor of Ohio for two terms. The panic of 1893 and the ill-fated Wilson-Gorman tariff act during the time when he was Governor caused the tide of popular favor to swing away from the Democrats; McKinley, as the apostle of protection, appeared in a more favorable light; and his partisans began to press him forward as the logical nominee for 1896 and as "the advance agent of Prosperity." The fact that his home was in a populous state in the Middle West was also in his favor, because the Republicans had frequently chosen their candidate from this debatable ground rather than from the Northeast, where success was to be had without a struggle.

Hanna's first care upon determining to devote him-

self to the interests of McKinley was to keep the candidate before the people as the one man who could rescue the nation from industrial depression. To that end he widely circulated the Cleveland *Leader*, a strong McKinley organ, for eighteen months at his own expense; he rented a house in Georgia, entertained Governor McKinley there and brought numbers of southern politicians to meet the candidate; and experienced political workers were sent all over the country and especially to the South to prepare the way for the election of delegates to the nominating convention. Hanna himself went to the East to discover on what terms the support of some of the states in that section could be obtained. On his return he reported that aid would be assured by a guarantee that the patronage of the administration would go to certain powerful politicians; Hanna thought the bargain a desirable one, but the candidate objected and Hanna acquiesced. The campaign of publicity and of personal canvass for delegates and influence continued. First and last, it is estimated, Hanna contributed over $100,000 for this purpose, urging his assistants always to use funds only for legitimate ends, although promising McKinley partisans who aided in the work that they would be "consulted" in the disposition of patronage.

Two difficulties stood in the way of completely ensuring the choice of McKinley as the candidate by the convention. Several states had "favorite sons" whom they would be sure to present, and if so many of these should appear as to prevent McKinley's nomination on the first ballot or at least on an early one, there might be a stampede to an unknown man—a "dark horse"—and then Hanna's ambitions would be frustrated. Thomas B. Reed of Maine was an especial source of anxiety as he possessed considerable strength through-

out New England. To guard against such a danger, Hanna sedulously cultivated the popular demand for Governor McKinley and also fought in the state conventions for delegates even against favorite sons. A crucial state was Illinois, where Senator Cullom was powerful. The Senator says that a representative of McKinley offered him "all sorts of inducements" to withdraw, but McKinley's biographer mentions no such attempt at a bargain. Eventually Cullom made the fight and was defeated, and from then on, the nomination of McKinley seemed sure unless he should be tripped by the currency issue.

The silver question was the second obstacle in the way of success. Not only was the party divided, but McKinley's record on the subject was far from consistent. He had voted for the Bland free-silver bill in 1877, for the Bland-Allison act in 1878 and for the passage of that act over President Hayes's veto. In 1890 he had urged the passage of the Sherman silver purchase law, intimating that he would support a free coinage measure if it were possible to pass it. Hardly more than a year later he was campaigning for the governorship of Ohio, and there he denounced the free coinage of silver and advocated international bimetallism. In 1896 McKinley feared that a definite public utterance on the one side or the other of the question would widen the division in the party, prevent his nomination and lose the election. Hence the ambiguous currency plank in the Ohio state convention and hence, also, the refusal of the candidate to commit himself openly. Nevertheless he commissioned a friend to go to the East and explain his attitude privately to certain leaders and prominent business men, urging them not to force a declaration for gold before the convention met. In this way, he thought, the cur-

rency issue might be subordinated, the tariff emphasized and the party held together. In this state of uncertainty the currency situation was allowed to rest until the convention met at St. Louis on June 16.

The platform adopted was, for the most part, of the usual sort. It urged popular attention to the matchless achievements of thirty years of Republican rule and contrasted that period of "unequalled success and prosperity" with the "unparalleled incapacity, dishonor, and disaster" of Democratic government; it promised the "most ample protection" to the products of mine, field and factory; generous pensions, American control of Hawaii, a Nicaragua canal, the Monroe doctrine, restricted immigration and the arbitration of labor disputes affecting interstate commerce received the support of the party.

It was the currency plank, however, that differentiated the platform of 1896 from that of other campaigns. Many Republican leaders and business men, particularly in the East, were disposed to call for a definite party statement in favor of a gold standard and had reached the point where they could not be put off by the usual meaningless straddle. Thomas C. Platt, Henry Cabot Lodge, Joseph B. Foraker, Charles W. Fairbanks and other party chiefs were among them. Hanna was ready to declare for gold after he had been assured of the nomination of his candidate. McKinley was willing to stand for gold, although he preferred not to mention that word in the plank and hoped to make the contest on the tariff. Moreover so many silver delegates had already been elected to the Democratic convention, which was soon to be held, that a definite utterance from that party seemed a certainty. The Prohibitionists had already divided into halves over the dominant issue. It was almost

imperative, therefore, for the Republican convention to be more explicit than it had hitherto ventured to be. As leader after leader arrived who was insistent upon a gold standard, it became increasingly evident to Hanna that he must proceed with caution. If McKinley committed himself to gold, the silver advocates would balk at his candidacy, and perhaps unite on somebody else; if he committed himself to silver, he would lose the eastern leaders. The astute Hanna therefore allowed sentiment in favor of the gold plank to gather force, although holding the discussion as far as possible under cover, and kept McKinley from making a definite statement. Then at the last minute, when the McKinley delegates were numerous enough to ensure the nomination of the Major and when it was too late for the silver forces to agree upon an opposition candidate, Hanna gave way to the pressure for gold and agreed to the plank which he had always favored.[1]

Despite the canny management of Hanna a defection took place over the decision on the currency issue. As soon as the platform was read, Senator Henry M. Teller, of Colorado, moved to replace the gold plank by one advocating the free coinage of silver. The ear-

[1] As finally adopted, the gold plank asserted: "We are unalterably opposed to every measure calculated to debase our currency or impair the credit of our country. We are, therefore, opposed to the free coinage of silver, except by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote, and until such agreement can be obtained the existing gold standard must be preserved. All our silver and paper currency must be maintained at parity with gold, and we favor all measures designed to maintain inviolably the obligations of the United States and all our money, whether coin or paper, at the present standard, the standard of the most enlightened nations of the earth." Several leaders claimed to have been the real author of the gold plank. It seems more nearly true that many men came to the convention prepared to insist on a definite statement and that each thought himself the originator of the party policy.

nestness with which Teller urged the adoption of the substitute was an indication of the sincerity of the western wing of the party. He had been a strict Republican since the formation of the party in the mid-fifties, yet he now found himself forced to accept a policy which he believed to be pernicious or break the political bonds which had held him for forty years. The majority of the convention, however, was determined to adopt the gold plank and overwhelmingly defeated the Teller amendment, whereupon the Senator and thirty-three other silver supporters solemnly withdrew from the hall.

The way was now clear for the nomination of a candidate. Thomas B. Reed, Senator Quay and other favorite sons received but scant support, and McKinley was nominated by an overwhelming majority on the first ballot. Garrett A. Hobart, a lawyer and business man whose reputation was confined to New Jersey, his home state, was nominated for the vice-presidency. The platform and the candidate were generally hailed with favor in the East. To be sure, critical newspapers were inclined to look askance upon McKinley's past. The New York *Evening Post,* for example, favored a gold standard but decried the candidate's "absence of settled convictions about leading questions of the day, and his want of clear knowledge on any subject." Yet on the whole, the platform and the candidate were popular, and, in view of the serious factional disputes among the Democrats, the Republicans seemed likely to make good their boast that victory would be so easy that they could nominate and elect a "rag baby" if they chose. The redoubtable Hanna was appointed chairman of the National Republican Committee, from which office he was to direct the campaign. McKinley still believed that the contest

would be of the old-fashioned sort and that it would turn on the tariff, despite the platform utterance of the party. And so it might have proved had it not been for an important change of purpose and leadership in the opposition.

The friends of free silver coinage went to the Democratic convention at Chicago on July 7 with the same determination to get a definite statement on the currency question that had characterized the eastern leaders at the Republican convention. Without the loss of a moment they wrested the control of the organization from the former leaders by defeating Senator Hill of New York, a gold Democrat, for the temporary chairmanship and electing Senator Daniel of Virginia, a recognized proponent of free silver. Hill's support came mainly from the Northeast; Daniel's, from the West and South. Senator White of California, a representative of the silver wing, was then chosen permanent chairman and the convention was ready for the contest over the platform. While it awaited that document, however, it listened to several favorite leaders, of whom Senator Tillman and Governor Altgeld of Illinois were the best known. From the sentiments expressed by these men it was clear that the radical Democrats believed that they were speaking for the masses of the people and that they were bent upon making far-reaching changes both in the organization and the creed of the party.

A disquieting feature was a degree of turbulence beyond that which usually characterizes our nominating conventions. The official proceedings record the following, for example, while Senator Tillman was addressing the delegates:

> I hope that when this vast assembly shall have dispersed to its home the many thousands of my fellow-citizens who are

here will carry hence a different opinion of the pitchfork man from South Carolina to that which they now hold. I come to you from the South—from the home of secession—from that State where the leaders of—(the balance of the sentence of the speaker was drowned by hisses). Mr. Tillman (resuming): There are only three things in the world that can hiss—a goose, a serpent, and a man . . .

In the last three or four or five years the Western people have come to realize that the condition of the South and the condition of the West are identical. Hence we find to-day that the Democratic party of the West is here almost in solid phalanx appealing to the South, and the South has responded —to come to their help. . . . Some of my friends from the South and elsewhere have said that this is not a sectional issue. I say it is a sectional issue. (Long prolonged hissing.)

At length the platform was presented. It was a summary of the complaints against the East which had been forming in the West and South ever since the days of the Greenbackers and the "Ohio idea." It recognized first that the money question was paramount to all others; laid hard times at the door of the gold standard, which it denounced as a British policy; and demanded the free coinage of both metals at the existing legal ratio, under which sixteen parts of silver by weight were declared equivalent to one part of gold in minting coins. Nor would the party wait for the consent of any other nation. It opposed the issuance of interest-bearing bonds in time of peace, condemned the bond transactions of the Cleveland administration and denounced the national bank-note system. The McKinley tariff was declared a prolific breeder of trusts which enriched the few at the expense of the many. The plank concerning the income tax, which had so recently been declared unconstitutional by the Supreme Court, excited much condemna-

tion among Republicans and conservative Democrats, who denounced it as an attack on the Court. It noted that the Court had uniformly sustained income taxes for nearly a hundred years and declared it to be the duty of Congress

> to use all the constitutional power which remains after that decision, or which may come from its reversal by the court as it may hereafter be constituted, so that the burdens of taxation may be equally and impartially laid, to the end that wealth may bear its due proportion of the expenses of the government.

The reaction of the party on the labor disputes of recent years and especially the Pullman strike was clearly in evidence. Arbitration of such controversies was called for; "interference" by federal authorities in local affairs was condemned; government by injunction was objected to; and the passage of such laws was demanded as would protect all the interests of the laboring classes.

A minority of the platform committee now presented the opposing point of view. It objected to many of the planks; complained that some were ill-considered, others revolutionary; and offered two amendments, one advocating the gold standard, the other expressing commendation of Cleveland's administration. The contest was then on. Tillman excoriated Cleveland and declared that the East held the West and South in economic bondage; Hill denounced the currency, income tax and Supreme Court planks as furiously as any Republican could have wished. The currency plank, he thought, was unwise, that on the income tax unnecessary, that on the Court assailed the supreme tribunal, and the entire program was "revolutionary."

As yet, nobody had quite expressed the feelings of

the convention. Tillman was too crude; Hill had no remedy for long-standing ills. At this juncture William J. Bryan stepped upon the platform. He was a young man—only thirty-six years of age—and known but slightly as a representative from Nebraska who possessed many of the arts and abilities of an orator. Bryan began with a modest and tactful declaration that his opposition to the gold wing of the party was based solely on principles and not at all on personalities. The convention had met, he insisted, not to debate but to register a judgment already rendered by the people. Old leaders had been cast aside because they had refused to express the desires of those whom they aspired to lead. Briefly he outlined the reply of the radicals to the objections made by Hill and the gold wing to the proposed platform. The conservatives, Bryan declared, had complained that free silver coinage would disturb business:

> We say to you that you have made the definition of a business man too limited in its application. The man who is employed for wages is as much a business man as his employer; the attorney in a country town is as much a business man as the corporation counsel in a great metropolis; the merchant at the cross-roads store is as much a business man as the merchant of New York; the farmer who goes forth in the morning and toils all day—who begins in the spring and toils all summer—and who by the application of brain and muscle to the natural resources of the country creates wealth, is as much a business man as the man who goes upon the board of trade and bets upon the price of grain; the miners who go down a thousand feet into the earth, or climb two thousand feet upon the cliffs, and bring forth from their hiding places the precious metals to be poured into the channels of trade are as much business men as the few financial magnates who, in a back room, corner the money of the world. We come to speak for this broader class of business men.

The time was at hand, Bryan insisted, when the currency issue must be squarely met:

> We have petitioned, and our petitions have been scorned; we have entreated, and our entreaties have been disregarded; we have begged, and they have mocked when our calamity came. We beg no longer; we entreat no more; we petition no more. We defy them.

The radical wing of the Democracy had now found its orator. Every word was driven straight to the hearts of the sympathetic hearers. The income tax law had been constitutional, Bryan complained, until one of the judges of the Supreme Court had changed his mind; the tariff was less important than the currency because "protection has slain its thousands, the gold standard has slain its tens of thousands." Fundamentally, he insisted, the contest was between the idle holders of idle capital and the struggling masses who produce the capital:

> If they come to meet us on that issue we can present the history of our nation. More than that; we can tell them that they will search the pages of history in vain to find a single instance where the common people of any land have ever declared themselves in favor of the gold standard. They can find where the holders of fixed investments have declared for a gold standard, but not where the masses have . . .
>
> You come to us and tell us that the great cities are in favor of the gold standard; we reply that the great cities rest upon our broad and fertile prairies. Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country . . .
>
> Having behind us the producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall

not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold."

The frenzy of approval which this brief speech aroused was proof that the West and South had found a herald. Whether wisely or not, the radicals acclaimed their leader and the party was embarked upon a program that made the campaign of 1896 a memorable one. Without further ado, the amendments of the conservatives were voted down—the vote being sectional, as before. Proposals that changes in the monetary standard should not apply to existing contracts and that if free coinage should not effect a parity between gold and silver at a ratio of 16 to 1 within a year, it should be suspended, were both voted down without so much as a division. The platform was then adopted by an overwhelming majority and radical democracy had the bit in its teeth. In the East the platform was viewed with amazement. The New York *World,* a Democratic newspaper, expressed the opinion that the only doubt about the election would be the size of McKinley's victory. The Republican *Tribune* thought that the party was afflicted with "lunacy"; that it had become the "avowed champion of the right of pillage, riot and trainwrecking"; that the platform was an anarchist manifesto and a "call to every criminal seeking a chance for outrage."

Before Bryan's speech it had been impossible to foretell who the party candidate for the presidency would be, although the veteran free silver leader, Richard P. Bland, had been looked upon as a logical choice in case his well-known principles should become those of the convention. After the speech, however, it was clear that Bryan embodied the feelings of many of his colleagues and on the fifth ballot he was chosen as the

candidate. The vice-presidential choice was Arthur Sewall, of Maine, a shipbuilder and banker who believed in the free coinage of silver.

The gold Democrats were now in a quandary. Many of them had refrained from voting at all in the convention after the silver element had gained control. Strict partisans, however, adopted the position of Senator Hill who was asked after the convention whether he was a Democrat still. "Yes," he is said to have retorted, "I am a Democrat still—very still." Some frankly turned toward the Republican party, while others organized the National Democratic party and adopted a traditional Democratic platform, with a gold plank. After considering the possibility of nominating President Cleveland for a third term, the party chose John M. Palmer for the presidency and Simon B. Buckner for the vice-presidency. Soon after the Democratic convention, the People's party and the Silver party met in St. Louis. Both nominated Bryan for the presidency, and thereafter the Democrats and the Populists made common cause.

At the opening of the campaign, then, it was evident that class and sectional hatreds would enter largely into the contest. The Populists and the radical Democrats felt that they were fighting the battle of the masses against "plutocracy"—the subtle and corrupting control of public affairs by the possessors of great fortunes; they thought that they saw arrayed against them the forces of wealth and the corporations, seeking to enslave them. The conservative Democrats and the gold Republicans saw in their opponents an organized attempt to carry out a program of dishonesty and socialism. The one side believed that the creditor class desired to scale debts upward; the other, that the debtor class wished to scale them down. The radicals

believed that the Supreme Court was in the control of the wealthy; the conservatives, that their opponents sought to assail the highest tribunal in the land. The peculiar circumstances preceding the year 1896, however, focussed attention on the monetary standard rather than upon the other demands of the Populist-Democratic fusion.

Each candidate adopted a plan of campaign that was suited to his individual situation. Bryan was relatively unknown and he therefore decided to appeal directly to the people, where his powers as a speaker would have great effect. The usual "notification" meeting was held in Madison Square Garden, in New York City, so as to carry the cause into the heart of "the enemy's country." During the few months of the campaign the Democratic candidate travelled 18,000 miles, made 600 speeches and addressed nearly five million people. The effect was immediate. The forces of social unrest, hitherto silent in great measure, were becoming vocal and nobody could measure their extent. McKinley had prophesied that thirty days after the Republican convention nothing would be heard about the currency. When the thirty days had passed, on the contrary, scarcely anything was heard except that very question. Whatever his personal wishes, McKinley must meet the problem face to face, and in alarm, Hanna and the Republican campaign leaders put forth unparalleled efforts to save the party from defeat.

The share of McKinley in these efforts was a novel one. Instead of going upon the stump, he remained at his home in Canton, Ohio. A constant stream of visiting delegations of supporters from all points of the compass came to hear him speak from his front porch. Some of the delegations came spontaneously;

the visits of others were prearranged; but in all cases the speeches delivered were looked over beforehand with great care. The candidate memorized or read his own remarks and carefully revised those which the spokesman of the visitors planned to offer. In this way, any such untoward incident as the Burchard affair was avoided and the accounts of the front-porch speeches which went out through the press contained nothing which would injure the chances for success. The effectiveness of the plan was attested on all sides.

In addition, extraordinary attempts were put forth to instruct the people on various aspects of the currency question. A small army was organized to distribute literature and address rallies; 120,000,000 documents were distributed from the Chicago and New York headquarters; newspapers were supplied with especially prepared matter; posters and buttons were scattered by the carload. At the dinner-table, on the street corner, in the railroad train, in store, office and shop, the people gave themselves over to a heated discussion of the merits of gold and silver as currency and to the feasibility of free coinage at a ratio of 16 to 1. The amount of money which these efforts required was unusually large. Business men and banking institutions, especially in New York, contributed liberally. The Standard Oil Company gave $250,000; large life insurance companies helped freely, although the fact was well concealed at the time. Business men were fearful that Bryan's election would mean a great shrinkage in the value of their properties. Many feared that the Democrats would assail the Supreme Court and that their leader would surround himself with advisors of a reckless and revolutionary character. Funds therefore poured into the Republican

war-chest to an amount estimated at three and a half million dollars.

Before the close of the campaign a feeling akin to terror swept over the East; contracts were made contingent upon the election of McKinley; employees were paid on the Saturday night before election day and notified that they need not return to work in the event of Democratic success. Although caution and good manners characterized the utterances of the two candidates, their supporters were hardly so restrained. The following, for example, is typical of the editorial utterances of the New York *Tribune:*

> Let us begin with the Ten Commandments. "Thou shalt not take the name of the Lord thy God in vain." The Bryan campaign from beginning to end has been marked with such a flood of blasphemy, of taking God's name in vain, as this country, at least, has never known before. "Thou shalt not steal." The very foundation of the Bryan platform is wholesale theft. "Thou shalt not bear false witness." In what day have Bryan and his followers failed to utter lies, libels and forgeries? "Thou shalt not covet." Why, almost every appeal made by Bryan, or for him, has been addressed directly to the covetousness, the envy, and all the unhallowed passions of human nature. A vote for Bryan is a vote for the abrogation of those four Commandments.

At the close of the campaign *The Nation* sagely observed, "Probably no man in civil life has succeeded in inspiring so much terror, without taking life, as Bryan."

The result of the election was decisive. McKinley and a Republican House of Representatives were elected, and the choice of a Republican Senate assured. The successful candidate received seven million votes —a half million more than his competitor. All the more densely populated states, together with the large

cities—where the greatest accumulations of capital had taken place—were carried by the Republicans. Not a state north of the Potomac—Ohio line and east of the Mississippi was Democratic, and even Kentucky, by a narrow margin, and West Virginia crowded their way into the Republican column. On the other hand Bryan's hold on the South and West was almost equally strong. Never before had any presidential candidate received so great a vote and not for twenty years did a Democratic candidate surpass it. Moreover, although the Democratic vote on the Atlantic seaboard was less than that received by Cleveland in 1892, Bryan's support in the Middle West showed considerable gains over the earlier year, while Kansas, Nebraska and all the mining states except California were carried by the silver cause. On the whole the election seemed to indicate that the voters of the country, after unusual study of the issues of the campaign, clearly distrusted the free-silver program, but that class and sectional discontent had reached large proportions.

The political results of the election of 1896 were important. It definitely fixed the attitude of the Republican party on the currency question; it gave the party control of the executive chair and of Congress at an important time; and it ensured the domination of the propertied classes and the *laissez faire* philosophy in the party organization. On the other hand, the Democratic party had incurred the suspicion and hostility of the East, with hardly a compensating increase of strength in the West; its principles had become radical for that day and had abruptly changed from those of previous years; its membership included more of the discontented classes than before; and its leadership had been snatched from the hands of an experienced



The presidential election of 1896 — the shaded states gave Bryan pluralities

and conservative leader and placed in the care of an untried radical. It remained to be seen whether the victors would attempt to study and meet the complaints of the farmer and the wage earner; whether the new Republican leaders would be able to preserve the *laissez faire* attitude toward the railroads and the corporations; and whether the forces of dissent represented in Populism and radical Democracy had received a death blow or only a rebuff.

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CHAPTER XVII

REPUBLICAN DOMINATION AND WAR WITH SPAIN

THE ceremonies attendant upon the inauguration of William McKinley on March 4, 1897, were typical of the care-taking generalship of Mark Hanna. The details of policing the crowds had been foreseen and attended to; the usual military review was effectively carried out to the last particular; "the Republican party was coming back to power as the party of organization, of discipline, of unquestioning obedience to leadership." [1]

The political capacity, the characteristics and the philosophy of the new President were sufficiently representative of the forces which were to control American affairs for the next few years to make them matters of some interest. McKinley was a traditional politician in the better sense of the word. As an executive he was patient, calm, modest, wary. Ordinarily he committed himself to a project only after long consideration, and with careful propriety he avoided entangling political bargains. His engaging personality, his consummate tact and his thorough knowledge of the temper and traditions of Congress enabled him to lead that body, where Cleveland failed to drive it. As a speaker he seldom rose above an ordinary plane, but he was simple and sincere. His messages to Congress breathed an atmosphere of serenity and of deferential reliance upon the wise and judicious action of the legislative branch. Their smug and genial tone formed a

[1] Cf. Peck, 518.

sharp contrast with his predecessor's anxious demands for multifarious reforms; while Cleveland inveighed against narrow partisanship and selfish aims, McKinley benignantly observed: "The public questions which now most engross us are lifted far above either partisanship, prejudice, or former sectional differences."

The political philosophy of McKinley typified that of his party. The possibilities which he saw in protective tariffs, which occupied the foremost position among his principles, were well set forth in his message to Congress on March 15, 1897. Additional duties should be levied on foreign importation, he asserted,

> to preserve the home market, so far as possible, to our own producers; to revive and increase manufactures; to relieve and encourage agriculture; to increase our domestic and foreign commerce; to aid and develop mining and building; and to render to labor in every field of useful occupation the liberal wages and adequate rewards to which skill and industry are justly entitled.

Like most American presidents, McKinley was a peace-lover, pleasantly disposed toward the arbitration of international difficulties and prepared to welcome any attempt to further that method of preserving the peace of the world. His conception of the presidential office differed somewhat sharply at several points from that of his predecessor. Like Cleveland he looked upon himself as peculiarly the representative of the people, but he was far less likely either to lead public opinion or to attempt to hasten the people to adopt a position which he had himself taken. This fact lay at the bottom of the complaints of his critics that he always had his "ear to the ground" in order that he might be prepared to go with the majority. On the other hand, al-

though he was aware of constitutional limitation upon the functions of the executive, he was not so continually hampered by the strict constructionist view of the powers of the federal government as Cleveland had been. McKinley's attitude toward Congress was far more sagacious than Cleveland's. He distributed the usual patronage with skill; he approached Congressmen individually with the utmost tact; he appointed them to serve on commissions and boards of arbitration, and later, when matters upon which the commissions had been engaged came before Congress in the form of treaties or legislation, these men found themselves in a position to lead in the adoption of the principles which the President desired. All this indicated an ability to "touch elbows" with Congress that has rarely been exceeded. When coupled with the organizing power of Hanna, the harmonizing sagacity of the President soon brought about a notable degree of party solidarity. As a political organization, the Republican party reached a climax.

McKinley was hardly an idealist, and distinctly not a reformer. Although sensitive to pressure from the reform element, he was not ahead of ordinary public opinion on matters of economic and political betterment. Leaders in federal railroad regulation found the President cold toward projects to strengthen the Interstate Commerce law; the Sherman Anti-trust Act was scarcely enforced at all during McKinley's administration, and the parts of his messages which relate to the regulation of industry are vague and lacking in purpose. One searches these documents in vain for any indication that the Republican leader had either vigorous sympathy with the economic and social unrest which had made the year 1896 so momentous or even any thorough understanding of it. Even if he had

possessed both sympathy and understanding, however, it is doubtful whether he could have made real progress in the direction of economic legislation and the enforcement of the acts regulating railroads and industry, in view of his long-continued and close affiliation with business leaders of the Mark Hanna type and his deep obligation to them at the time of his financial embarrassments in 1893.

McKinley's cabinet was composed of men whose advanced age and conservative characteristics indicated that his advisers would commend themselves to the business world and would instinctively avoid all those radical proposals that were coming to be known as "Bryanism." The dean of the cabinet in age and experience as well as in reputation and ability was John Sherman, who was now almost seventy-four years of age and had been occupying a position of dignity and honor in the Senate. Two reasons have been given for his appointment to the post of Secretary of State. In the first place, important diplomatic affairs were on hand, in the settlement of which his long experience as a member of the Senate Committee on Foreign Relations would be of obvious advantage. The second reason was the ambition of Hanna to enter the Senate. Since Sherman and Hanna were both from Ohio, it was possible to call the former to the cabinet and rely upon the Governor of the state to appoint the latter to the Senate. The propriety of this course of action depended somewhat on the question of Sherman's physical condition. Rumor declared that he was suffering from mental decay, due to his age, but McKinley believed the rumor to be baseless, summoned him to the cabinet, and Hanna was subsequently appointed to the Senate. When Sherman took up the duties of his office it appeared that the rumor had been all too true,

and a serious lapse of memory on his part in a diplomatic matter forced his immediate replacement by William R. Day. Somewhat more than a year later Day retired and John Hay assumed the position. Many critics have asserted that McKinley was aware of the precise condition of Sherman and that he made the choice despite this knowledge, but it now seems likely that he was guilty only of bad judgment and carelessness in failing to inform himself about Sherman's infirmities. Another error of judgment was made in the choice of Russell A. Alger as Secretary of War. Alger failed to convince popular opinion that he was an effective officer and he resigned in 1899. As in the case of Sherman, McKinley then somewhat retrieved his mistake by appointing a successor of undoubted ability, in the person of Elihu Root.[1] It thus came about that the political and economic theories which had been characteristic of the leaders of both parties during the seventies and eighties, but more particularly of the Republican party, were again in the ascendancy. The President and his cabinet were uniformly men who had grown up during the heyday of *laissez faire,* and Hanna, who would inevitably be regarded as the mouthpiece of the administration in the Senate, was the embodiment of that philosophy.

McKinley's experience with the distribution of the offices emphasized the progress that had been made since civil service reform had been inaugurated. One of the steps which President Cleveland had taken during his last administration, it will be remembered, was to increase the number of positions under control of

[1] Other members of the cabinet were: Lyman J. Gage, Ill., Secretary of the Treasury; Joseph McKenna, Calif., Attorney-General; J. A. Gary, Md., Postmaster-General; J. D. Long, Mass., Secretary of the Navy; C. N. Bliss, Secretary of the Interior; James Wilson, Ia., Secretary of Agriculture.

the Civil Service Commission. The immediate result, of course, was to increase the demand for places in the unclassified service. John Hay picturesquely described the situation in the State Department a few years later:

> All other branches of the Civil Service are so rigidly provided for that the foreign service is like the topmost rock which you sometimes see in old pictures of the Deluge. The pressure for a place in it is almost indescribable.

Both in his inaugural address and in his message to Congress on December 6, 1897, McKinley expressed his approval of the prevailing system, but suggested the possibility of exempting some positions then in the classified service. President Cleveland had, indeed, admitted to the Civil Service Commission that a few modifications might be necessary. The Senate promptly ordered an investigation and discovered 10,000 places which it believed could be withdrawn, but because of other events further action was delayed. In 1899 the President returned to the subject and promulgated an order authorizing the withdrawal of certain positions from competitive examination and the transfer of others from the Commission to the Secretary of War—a total of somewhat less than 5,000 changes.[1] It appeared, in view of the circumstances under which the change had occurred, that a retrograde step had been taken, and McKinley received the condemnation of the reformers.

The first legislation undertaken by the administration was that relating to the tariff. The election of 1896, to be sure, had been fought out on the silver issue, but it was not deemed feasible to proceed at once

[1] The National Civil Service Reform League estimated the changes at 10,000.

to legislation on the subject, because of the strong silver contingent within the party. Several other considerations combined to draw attention away from the currency question and toward the tariff. The Wilson-Gorman Act of 1894 had been passed under circumstances that had caused the Democratic President himself to express his shame and disappointment; the period of industrial depression following the panic of 1893 had been attributed so widely to Democratic tariff legislation that a Republican tariff act could be hailed as a harbinger of prosperity; and the annual deficit which had continued since 1893 indicated a genuine need of greater revenue, if the current scale of expenditures was to be continued. The President and the party leaders in Congress were men who were prominently identified with the protective system, and it was not likely that the business interests which profited from protection, which believed in its beneficent operation, and which had contributed generously to the Republican war-chest would remain inactive in the presence of an opportunity to revise the tariff.

Immediately after his succession to office, therefore, McKinley called a special session of Congress to legislate upon the chosen subject. His message urged an increase in revenue to be brought about by high import duties which, he suggested, should be so levied as to be advantageous to commerce, manufacturing, agriculture, mining, building and labor. The projected bill was already in hand. Republican success in the election had insured the return of Thomas B. Reed to the speaker's chair and Nelson Dingley to the Committee on Ways and Means. The latter was as devoted to the high-tariff cause as the Speaker and the President, and had laboriously constructed a bill which was distinctly protective. The legislative history of

the Tariff Act of 1897—more commonly known as the Dingley act—was in several respects much like that of similar measures of earlier years. Its passage through the House was expedited by the masterful personality and vigorous tactics of the Speaker—a process which consumed less than a fortnight. In the Senate, bargain and delay ruled procedure; a few of the silver Republicans held the balance of power and demanded a *quid pro quo* for their support; and the Secretary of the Wool Manufacturers' Association preserved a suggestively close connection with the Finance Committee which had charge of the bill. After amending the House draft in 872 particulars, the Senate entrusted its interests to the usual conference committee, and there, as had happened before, the rates were in many cases raised above those desired by either the Senate or the House. The bill became law in July, 1897.

The Dingley act added little to the settlement of the tariff problem. The ordinary consumer was as little able as before to present his demands effectively and at the time and place at which the rates were really determined. The requirements of the silver Republicans were met by the imposition of high duties on wool. For one reason or another, duties were restored or raised upon hides, silks and linens, although those on cotton goods were slightly lowered. The duty on sugar was retained at a point favorable to the trust. In brief, then, the Act of 1897 was aggressively protectionist. An abortive section of the act empowered the President to conclude treaties providing for reductions, as great as twenty per cent., in return for commercial concessions from other countries. Such reciprocity arrangements, however, must be made within two years of the passage of the law and might not re-

main in force more than five years, and each treaty must be ratified by the Senate. The President was favorable to reciprocal adjustments and several were arranged but were uniformly rejected in the Senate.

Business was prosperous after the enactment of the Dingley tariff and little agitation for a change was observable for a decade. Prosperity, being world wide, was doubtless not due in its entirety to the American tariff, yet the coincidence of protection and good times gave the Dingley act a pleasant reputation. For many years enthusiastic stump speakers placed the beneficence of Providence and the tariff of 1897 on an equality as causes of American well-being.

The President's first message to Congress had extended congratulations upon the fact that peace and good will with all the nations of the earth continued unbroken. Nevertheless it was necessary for him to devote much attention to the relations between Spain and its most valuable American possession—the island of Cuba.

American interest in Cuba was by no means of recent growth. The situation of the island—dominating the narrowest point of the waterway between the Atlantic seaboard and the Gulf of Mexico—insured the importance of Cuba as a strategic position. The traditional attitude of Spain toward her colony had been one of exploitation, a policy which was sure to be looked upon with suspicion by a nation which had itself revolted from oppression. Riots and rebellions in the island, having their origin in Spain's colonial policy, had long engaged American sympathy and attention. American statesmen—Jefferson, John Quincy Adams, Clay and Webster—had pondered upon the wisest and most advantageous disposition of Cuba. In 1859 the Senate Committee on Foreign Relations had even con-

cluded that "The ultimate acquisition of Cuba may be considered a fixed purpose of the United States." From 1868 to 1878 the "Ten Years' War" between Cuba and Spain had raised American feeling to a high pitch. The struggle was characterized by a barbarity that rivalled mediaeval warfare; islanders who escaped to the United States sent ships to Cuba laden with arms and men; American trade rights were interfered with and American citizens seized by the Spaniards and shot; the *Virginius* was captured—a ship carrying the American flag—and many of her crew were executed. Indignation meetings were held, the navy was put in order and war was in sight. Cautious diplomatic negotiations delayed hostilities, however, and subsequently exhaustion caused the restoration of peace between Spain and her distracted colony.

With the recurrence of insurrection in 1895, interest in the United States was renewed, and this time circumstances combined to bring about a climax in American relations with Spain. On both sides the contest between Spain and her colony was carried on with unutterable cruelty. The island leader, Maximo Gomez, conducted guerrilla warfare, devastating the country, destroying plantation buildings and forcing laborers to cease work, in order to exhaust the enemy or to bring about American intervention. Spanish procedure was even more barbaric. A "reconcentration" order, promulgated by Valeriano Weyler, Governor-general of the island and General-in-chief of the army, compelled the rural population to herd together in the garrisoned towns. Their buildings were then burned and their cattle driven away or killed; hygienic precautions were disregarded and the people themselves were insufficiently clothed and fed. The extermination

of the inhabitants proceeded so rapidly as to promise complete devastation in a short time.

President Cleveland had been deeply affected by the Cuban situation. His last annual message to Congress had noted the $30,000,000 to $50,000,000 of American capital invested in the island, the volume of trade amounting yearly to $100,000,000, the use of American soil by Cubans and Cuban sympathizers for raising funds and purchasing equipment, and the stream of claims for damages done to American property in Cuba. In spite of his well-known disinclination to share in the internal affairs of other peoples, he had voiced a suggestive warning that American patience could not be maintained indefinitely.

The succession of McKinley seemed likely to result in a change in the attitude of America toward the Cuban problem. He was more responsive to public opinion than his predecessor had been, public opinion was more and more coming to favor intervention, and his party had committed itself in its platform to Cuban independence through American action. Moreover, two events early in 1898 greatly irritated the United States.

On February 9 a New York newspaper published a letter written by Señor Enríque Dupuy de Lôme, Spanish minister to the United States, to a personal friend in Havana. It referred to President McKinley as a "would-be politician who tries to leave a door open behind himself while keeping on good terms with the jingoes of his party." It further revealed the intention of the Minister to carry on a propaganda among senators in the interest of a commercial treaty. On all sides it was seen that the usefulness of Señor de Lôme was at an end and his government immediately

recalled him. On February 15 the whole world was shocked by the destruction of the United States battleship *Maine* in Havana harbor, with the loss of 260 officers and men. News of the disaster was accompanied by the appeal of Captain Sigsby, commander of the vessel, that popular judgment of the causes of the disaster be suspended until a court of inquiry could investigate and report. Nevertheless on March 9, Congress placed $50,000,000 at the President's disposal for the purposes of national defence and the navy prepared for a conflict that seemed inevitable. Both the Spanish and American authorities conducted examinations. The American court reported that the ship had been destroyed by the explosion of a submarine mine, which had caused the partial explosion of two or more of her magazines. No evidence could be found which would fix the responsibility on any individual. The Spanish court came to the conclusion that the catastrophe was due solely to an explosion of the ship's magazines. American opinion naturally supported the findings of the American court, and feeling ran high; newspapers demanded war; "Remember the *Maine*" summarized much of popular discussion.[1]

Under such circumstances, diplomatic negotiations looking toward peace were difficult, and resulted only in disagreements and delay. Accordingly on April 11 the President laid before Congress a succinct account of Cuban affairs and earnestly called for forcible intervention. The grounds for this action he found in the sufferings of the people of Cuba, the injuries to Americans and to American property and trade, and the menace to American peace which was entailed by

[1] In 1911 the wreck of the *Maine* was raised and examined. The evidence found was such as to substantiate the findings of the American court of inquiry. *Scientific American*, January 27, 1912.

continuous conflict at our very threshold.[1] The transfer of the Cuban question from the hands of the President to those of Congress was equivalent to a decision in favor of war. On April 19 the Senate and House resolved that the people of Cuba were and ought to be independent, demanded that Spain withdraw from the island and directed the President to use the force of the nation to achieve the results desired. The approval of the Executive on the following day completed the severance of peaceful relations with Spain. At daylight on April 22 Admiral Sampson and his fleet were crossing the narrows between Florida and Cuba, on the way to establish a blockade of the greater part of the island. Within three days more, Commodore George Dewey, who was in command of a fleet at Hong-Kong, had been instructed to proceed at once to the Philippine Islands and capture or destroy the Spanish fleet there. On April 25 Congress formally declared war upon the kingdom of Spain.

It was not by mere chance, of course, that Admiral Sampson and Commodore Dewey were prepared to act with such celerity. Authorities in the Navy Department had long felt that a collision with Spain was inevitable and had been preparing for such an eventuality. With as little publicity as possible the Department completed and commissioned ships that were already under construction; it hastened the repair of vessels which were in any way defective; it ordered target practice and fleet manoeuvres; and it prepared

[1] It has commonly been felt among certain classes in the United States since 1898 that the business interests whose property and trade were mentioned by President McKinley had an undue share in bringing about the declaration of war. While it can not be doubted that the President was swayed more by business interests than most of our executives since the Civil War have been, yet it is also true that the sufferings of the Cubans aroused genuine sympathy in the United States. The President himself was anxious to delay war as long as possible.

plans for the conduct of a naval war. Commanders of squadrons were instructed to keep in service men whose terms of enlistment were about to expire; supplies of ammunition were procured and shipped to points where they would be needed; the *Oregon,* which had been stationed on the Pacific coast, was ordered to return to Key West by way of the Straits of Magellan and so began a voyage whose closing days were watched with interest by a whole nation. A Northern Patrol Squadron was organized to guard New England; a Flying Squadron was assembled at Hampton Roads for service on the Atlantic coast or abroad; and a formidable array gathered at Key West under Rear-Admiral Sampson for duty in the West Indies. Foreign shipyards were scoured for vessels in process of building and several were purchased, completed and renamed for American service. Greater additions were made through the purchase of merchantmen and their transformation into auxiliary cruisers, gunboats and colliers. In these ways the attempt was made, with some success, to improvise a navy on the eve of war.

The people of the country had scarcely become accustomed to the thought that war with Spain had actually come to pass when word was received in Washington of the exploit of Commodore Dewey in the Philippine Islands. Attention for the moment was focussed on the Far East, and the press dilated upon the first test of the new American Navy.

The story of the test proved to have points of interest and importance. When Commodore Dewey received the orders already mentioned, on April 25, he finished immediately the preparations for conflict which had been initiated and turned his flagship, the *Olympia,* in the direction of Manila. His available

force consisted of four protected cruisers, two gunboats, a revenue cutter, a collier and a supply ship. The city of Manila is on Manila Bay, a body of water twenty miles or more wide, and is reached only through a narrow entrance. Dewey judged that the channel was too deep to be mined successfully except by trained experts and that both contact and electrical mines would deteriorate so rapidly in tropical waters as to be effective only for a short time. He therefore decided to steam through the channel at night, disregarding the mines, and to attack the Spanish fleet which lay within. The plans worked out even better than he had hoped. With all lights masked and the crews at the guns, the squadron moved silently through the passage with no other opposition than three shots from a single battery. Once within the Bay Dewey steamed slowly toward the city of Manila and then back to a fortified point, Cavite, where he found his quarry arranged in an irregular crescent and awaiting the conflict. Oblivious of the hasty and inaccurate fire from the batteries on shore, he deliberately moved to a position within two and a half miles of the Spanish ships and said to the Captain of the *Olympia,* "You may fire when you are ready, Gridley."



The Philippines.

Three times westward and twice eastward the American squadron ran slowly back and forth, using the port and starboard batteries in turn, and in a

short time the shore batteries and the Spanish fleet were masses of ruins. Of the American forces, only eight were injured, and they only slightly, while 167 of the Spanish were killed and 214 wounded. News of the victory was as unexpected as it was welcome in the United States. President McKinley appointed Dewey an acting Rear-Admiral and on all sides discussion began of the situation and possibilities of the Philippines.

In the meantime, the position of the American squadron was far from secure. To be sure, all resistance from the batteries in and around Manila was quickly suppressed by a threat to destroy the city; nevertheless Admiral Dewey was in command of too slight a force to enable him to occupy both the town and its environs. He accordingly notified Washington that more troops were necessary if it were intended to seize and retain Manila, and expeditionary forces were despatched, the first of which arrived on June 30. Indeed it was high time that assistance be forthcoming, for new possibilities of conflict had appeared in the presence of a powerful force of German warships.

As soon as the defeat of the Spanish squadron had been effected, Admiral Dewey established a blockade of Manila Bay and, according to custom, the war vessels of interested nations went thither to observe the effectiveness of the blockade and to care for the well-being of their nationals. Among the early arrivals were the British, the French and the Japanese, all of whom observed the formalities of the situation and reported to the American Admiral before venturing into the harbor. The Germans, however, omitted the proprieties until sharply reminded by a shot across the bow of the *Cormoran*. By mid-June five German men-of-war under command of Vice Admiral von Diedrichs were in the Bay—a force nearly if not quite the match

of the American squadron. When the Germans continued their disregard of the regulations controlling the blockade, indicating a potential if not an actual hostility, it became necessary for Admiral Dewey to have done with the Teutonic peril at once. He sent a verbal message to von Diedrichs which effectually ended all controversy. Admiral Dewey has not disclosed the exact phraseology of the message, nor did he send a record of it to the Navy Department. A newspaper correspondent who was acting as one of the Admiral's aides asserted that the protest was against von Diedrich's disregard of the usual courtesies of naval intercourse and that it closed with the words, "if he wants a fight he can have it right now." The disclosure by Captain Edward Chichester, in command of the English force, that he had orders to comply with Admiral Dewey's restrictions and that his sympathies were with the Americans, together with the arrival of the expeditionary force, assured American supremacy and a peaceful blockade. On August 13 a joint movement of the naval forces and the infantry under General Wesley Merritt resulted in the speedy surrender of the city of Manila. The Americans were now in control of the capital of the Philippine Islands and would, perforce, face the question of the ultimate disposition of the archipelago in case of the eventual defeat of Spain. In the meanwhile, popular attention turned toward stirring events which were taking place in the Caribbean Sea.

On April 28—a week after Admiral Sampson started for Cuba—the Spanish Admiral Cervera left the Cape Verde Islands. His force was a considerable one; his goal was unknown, although naturally believed to be some point in the Spanish West Indies. On the assumption that this hypothesis was a correct one, Samp-

son patrolled the northern coast of Cuba, extending his movement as far as Porto Rico, and scouts were placed out beyond Guadeloupe and Martinique. The entire nation anxiously awaited the outcome of the impending encounter.

On May 19 Cervera slipped into Santiago, a town on the eastern end of Cuba which had rail connection with



The Spanish-American War in the West Indies.

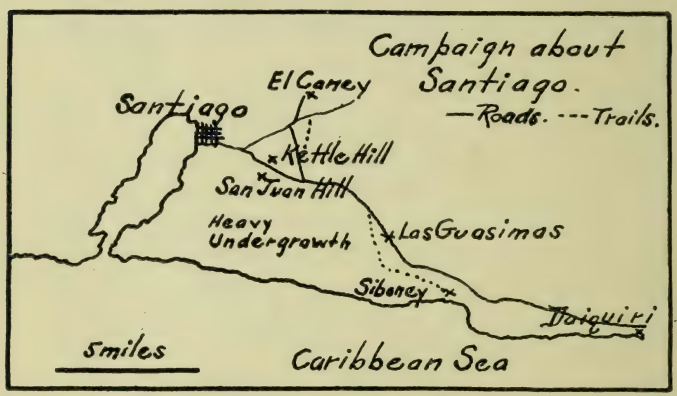
Havana, the capital of the island. Commodore W. S. Schley who was in command of a squadron on the southern coast soon received information of the enemy's whereabouts and established a blockade of the city, while Sampson hastened to the scene and assumed command of operations. The American force now included four first-class battleships, one second-class battleship and two cruisers. They were arranged in semicircular formation facing the harbor, and at night powerful search-lights were kept directed upon the channel which Admiral Cervera must take in case of

an attempt to escape. The main part of Santiago Bay is between four and five miles long and is reached through a narrow entrance channel. Elevated positions at the mouth of the channel rendered the vigorous defence of the harbor a matter of some ease. Early in the progress of the blockade the Americans attempted to sink a collier across the entrance, but fortunately, as it turned out, this daring project failed, and Admiral Sampson settled down to await developments.

It was apparent that the capture of Santiago, and the destruction of the fleet could be brought about only through a joint movement of the army and navy. Hitherto the war had been entirely on the sea. Nevertheless over 200,000 volunteers had been called for, in addition to somewhat over 50,000 regular troops and the "Rough Riders"—the last a regiment of volunteer cavalry which had been raised by Colonel Leonard Wood and Theodore Roosevelt and which was largely composed of cowboys, ranchmen, Indians and athletes from eastern colleges. The regulars, together with a few volunteers and the Rough Riders, were sent to Tampa, Florida, while most of the volunteers were trained at Chicamauga Park, in Georgia. It had been expected that the important military operations would take place around Havana and for that reason the officer commanding the army, General Nelson A. Miles, with most of the regular troops, were retained for the larger service. The command of the expedition to Santiago fell to General William R. Shafter. Sixteen thousand eight hundred and eighty-seven officers and men set sail from Tampa on June 14 and began to disembark eight days later at Daiquiri, sixteen miles to the east of Santiago.

Advancing from this point General Lawton, com-

manding a division of infantry, moved parallel to the shore and seized Siboney. General Wheeler, a former Confederate who was now in command of the cavalry, met and defeated a Spanish force at Las Guasimas. Further advance met difficulties that were more serious. On the left of the American line was San Juan Hill, an eminence which commanded the coun-



try toward the east; on the right was El Caney, a fortified village held by a small force of Spaniards. The country between the two points was a jungle, the roads hardly better than trails, where troops frequently had to go in single file. The fight at El Caney was severe, the enemy being well-entrenched, well-armed and protected by wire entanglements and block houses, and General Lawton suffered a loss of more than 400 killed and wounded before driving the Spaniards out of their position. San Juan Hill was still more stubbornly defended, and an American advance was impeded by the heat, the tropical growth and the uneven character of the country. Under these circumstances officers became separated from their men and victory was gained

through the determination and resourcefulness of the individual. The Spaniards then fell back upon Santiago.

The continued success of the Americans compelled the Spanish authorities to make an immediate decision in regard to the fleet. To remain in the harbor seemed to mean being encircled and starved; to go out through the narrow channel seemed to lead to sure destruction. Yet the latter venture appealed to the commander-in-chief of Cuba, Captain-General Blanco, as the more honorable one and on July 2 orders were sent to Admiral Cervera to make the attempt. Early next morning, while Admiral Sampson was away at a conference with General Shafter, lookouts on the American battleships descried the *Infanta Maria Teresa* feeling her way out of the harbor, followed by the remainder of the Spanish fleet, three armored cruisers and two torpedo-boat destroyers. The Americans instantly closed in, directing their fire first against the *Teresa* and later against the rest of the fleet as they tried to follow their leader out to safety. Once out of the harbor the entire Spanish fleet dashed headlong toward the west, parallel to the coast, while the Americans kept pace, pouring a gruelling fire from every available gun. The Spaniards returned the fire and thus "the action resolved itself into a series of magnificent duels between powerful ironclads." One by one the enemy's vessels were sunk or forced to run ashore—the *Cristobal Colon* last, at two o'clock in the afternoon. The Spanish losses, besides the fleet, were 323 killed and 151 wounded; the Americans lost one killed and one wounded. The city of Santiago, deprived of its fleet, found itself in a desperate plight and surrendered on July 16. Shortly afterwards General Miles led an expedition into Porto Rico, but operations were soon brought to a close be-

cause of the suspension of hostilities, and from a military point of view the importance of the campaign was negligible.

The succession of overwhelming defeats drove home to Spain the futility of further conflict. The despatch of American troops to the Philippines and to Porto Rico, moreover, indicated that Spain would soon suffer other losses. Hence the Spanish government, acting through Jules Cambon, the French ambassador to the United States, sought terms for the settlement of the war. The President's reply of July 30 made the following stipulations: Spain to relinquish and evacuate Cuba and to cede Porto Rico and one of the Ladrone Islands; the United States to occupy the city and bay of Manila, pending the conclusion of peace and the determination of the final disposition of the Philippines. Spain wished to restrict negotiations to the Cuban question, but was forced to accept the conditions laid down by the victor. A preliminary agreement or protocol was therefore signed, which provided for a conference at Paris concerning peace terms.

The uniform success of the American arms could not obscure the popular belief that the Department of War had been guilty of many shortcomings. It will doubtless be always a subject for dispute as to whether the major portion of the blame is to be laid at the door of the traditional American disinclination to be prepared for warfare, or upon Secretary Alger and his immediate advisors. That the conduct of the military affairs was inexpert, however, is admitted on all sides. The facilities for taking care of the troops at Tampa were inadequate. When transports reached Tampa to take the troops to Santiago, officers wildly scrambled to get their men on board. The Rough Riders, for example, made their way into a transport intended for

two other regiments, one of regulars and the other of volunteers, with the result that the volunteers and half of the regulars were left on shore. The clothing supplied for the Cuban campaign was better suited to a cold climate than to summer in the tropics. The health of the troops during the Santiago campaign was such that the general officers expressed the opinion that the army must immediately be removed from Cuba or suffer severe and unnecessary losses from malarial fever. When the men were removed, however, they were taken to Montauk Point on Long Island, where the climate was too cool and bracing. Unsanitary conditions in the training camps within the borders of the United States were the cause of fatalities estimated at several times the number killed in battle. A controversy over the quality of the beef supplied to the troops led to an executive commission of investigation. Both unnecessary and unfortunate was the Sampson-Schley controversy, which originated in a difference of opinion about the proportion of credit which each of these officers should have for the success of Santiago and which was continued in charges that the latter had made serious mistakes in the conduct of his share of the operations. Subsequently a Court of Inquiry investigated the accusations and made a decision which did not completely satisfy either side.

Despite these minor mistakes, however, the war increased the strength of the administration. The most lasting effects of the conflict on constitutional and political history demand detailed discussion at a later point, but the immediate results can be briefly stated.[1] The successful prosecution of a popular war, combined with widespread prosperity and the demoralization of the opposition party greatly heightened the pres-

[1] Below, Chap. XVIII.

tige of the Republicans. McKinley appeared to have been in truth, the "advance agent of prosperity"; and his party obtained a dominating control of public policy.

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CHAPTER XVIII

IMPERIALISM

THE guns of Admiral Dewey did something more than destroy a Spanish fleet in the harbor of Manila. Their echo came back to us in a question new in the history of our government." The new problem was Imperialism—was it wise policy and was it constitutional to annex and govern territories outside the limits of continental North America? In colonial problems the United States had had no experience; and if the Philippines, Cuba or Porto Rico were annexed, it would be necessary to administer the affairs of peoples whose languages, racial characteristics and forms of government were utterly strange. Such objections arose in the minds of many Americans as the conference assembled at Paris on October 1 to settle the terms of peace.[1]

The chief controversies between the Spanish and the American negotiators related to Cuba and the Philippines. The Spanish commissioners early proposed to transfer Cuba to the United States, the latter to turn it over to the Cuban people in due time. With the sovereignty of Cuba was to go the debt of the

[1] The American commissioners were W. R. Day, Secretary of State; Whitelaw Reid, editor of the New York *Tribune;* and Senators C. K. Davis, W. P. Frye and George Gray. Senator Hoar remonstrated with McKinley for placing senators on such commissions as this, on the ground that the independence of the Senate was thereby lessened when the question of ratifying the treaty came before that body. He declared that McKinley admitted that the practice was wrong. Cf. *Autobiography,* II, 46–51.

island. On the refusal of the Americans to accede t this, the Spanish commissioners urged the transfer o Cuba to the United States without any promise as t its future. Instructions from Washington both o possession and on debt, however, were explicit and i the end Spain had to relinquish all claim to Cub and assume responsibility for its indebtedness. Th proper disposition of the Philippines presented fa greater difficulty. Not only was there a difference o opinion between the two groups of commissioners, bu the American government was in doubt about th wisest course to pursue, and grave diversity of opinio existed among the people and in the peace commissio itself. Moreover the capture of the city of Manil had taken place after the protocol had been signed an after hostilities had been ordered suspended, but b fore news of these facts had reached Admiral Dewe The original instructions of President McKinley to th peace commissioners were to the effect that the ou come of the war had placed new duties and respons bilities on the United States, that the commercial o portunity which possession of the Philippines woul present could not be overlooked and that the island Luzon at least must be ceded. So little was know about the people and the possibilities of the island that the American commission was compelled to go fa afield to obtain information from writers and invest gators in regard to questions of defence, the politic capacity of the inhabitants, the danger that another n tion might step in if the United States should evacuat commercial prospects, and so on. President McKinle soon came to the opinion that the proper course was t take the entire archipelago. To give them back t Spain seemed "dishonorable"; to turn them over t our commercial rivals, France or Germany, seeme

"bad business"; to leave them to themselves would be to leave them to "anarchy and misrule"; hence there was nothing to do but to take all of them and attempt to spread American civilization among the Filipino people. The American commissioners therefore demanded the Philippines, but realizing the defect in their case, since the conquest of Manila had taken place after the conclusion of the protocol, agreed to pay Spain $20,000,000. The Spanish commissioners thereupon yielded to necessity and reluctantly agreed.

As finally signed, the treaty of December 10, 1898, contained the following points: Spain agreed to relinquish Cuba, and the United States was to protect life and property during its occupancy of the island; Spain also ceded Porto Rico and the other Spanish West Indies, Guam in the Ladrones, and the Philippines on payment of $20,000,000; the United States agreed to return to Spain, at its own cost, all Spanish prisoners taken at the time of the capture of Manila; the civil and political rights of the inhabitants of the ceded territories were to be determined by Congress; and freedom of religion was guaranteed.

The reference of the treaty to the Senate for ratification elicited many divergences of opinion, the ablest opposition being presented by members of the President's own party. In particular, the position taken by Senator Hoar, a rigid Republican and a close friend of President McKinley, made a strong impression. That there can be no just government without the consent of the governed, he asserted, was the central doctrine of the Declaration of Independence. Moreover, the acquisition of foreign lands, he believed, would lead us into competition with European powers for territory, and thus tempt us away from the international policy which had been laid down by the

"fathers" and followed by the nation ever since. Most of the Democrats held similar views, but some of them heeded the advice of Bryan, who urged that the treaty be ratified in order to end the war, and that the ultimate disposition of the new possessions be decided in the next presidential campaign. The point of view which seems to have prevailed with most Republicans was that the United States, being a sovereign nation, possessed power to acquire territory and to determine its future status, and that as a matter of expediency it was better to take the Philippines than to risk the dangers which lay in leaving them alone. Shortly before the final vote was taken, an insurrection broke out in the Philippines against American control, which may have influenced some senators to accept the President's settlement. Even with this aid, however, ratification was brought about by the narrow margin of one vote more than the required two-thirds majority.[1]

Within the field of politics, the Republicans increased the advantage which they had gained in 1896. The congressional and state elections of 1898 continued their control of the House and strengthened it in the Senate; the world-wide prosperity which has already been mentioned and in which the United States shared, was in striking contrast with the business depression of the recent Democratic administration; discoveries of gold deposits in the Klondike and the improvement of methods of extracting the metal from the ore greatly increased the currency supply and assisted in raising the level of prices, thereby giving greater prosperity to the western farmer and lessening his complaints. The gold standard act of March 14,

[1] Of the President's party, T. B. Reed, the powerful Speaker of the House, retired from public life for personal reasons and because of his dissent from the imperialist policy of his party. McCall, *Reed*, 237–8.

1900, pleased the financial interests, for it fixed the standard of value, set the amount of the gold reserve at $150,000,000, and specified adequate means by which the Secretary of the Treasury could maintain other forms of money on a parity with the precious metal. Within the Republican organization, the President's soothing personality and Hanna's meticulous attention to the details of the party machinery continued undiminished the momentum which had been gathered. Defections on the imperialism issue, while affecting important party leaders, were numerically unimportant. Among the financial and industrial classes, therefore, confidence in President McKinley and his advisors was thoroughgoing. There was a strong bond of interest, moreover, between territorial expansion and industrial expansion, between Imperialism and the expansion of foreign markets. The primacy of business was assured.

The renomination of McKinley at the Republican Convention in Philadelphia, on June 19, 1900, was unanimous. The vice-presidency, contrary to tradition, occupied the center of interest. Several men of prominence were mentioned in this connection but the name which evoked most enthusiasm was that of Theodore Roosevelt. Roosevelt's career during the war with Spain had been a prominent factor in making him Governor of New York. As Governor he had shown energy and independence, especially in connection with measures for taxing street railway and other franchises, and had come into conflict with Senator Thomas C. Platt, the boss of the state. Senator Platt, therefore, desired to divert the vigorous Governor into the vice-presidency, an office which usually casts a "species of political oblivion" over its occupant. McKinley was opposed to the plan and so were Hanna and Roose-

velt himself. The latter desired to put into effect further plans which he had made as Governor, and the attempt to shelve him aroused his fighting spirit. In the convention, however, sentiment in behalf of Roosevelt, especially from the West, was so strong as to over-rule both the administration and the wishes of the Governor. McKinley sent emphatic word that he was neither for nor against any man, but would accept the decision of the delegates. Hanna then withdrew his objections and Roosevelt was nominated without opposition.

The Republican platform emphasized the prosperity which had resulted from the accession of the party to power; it pointed out the danger which would ensue if the opposition were allowed to conduct public affairs; and it dwelt upon the growth of the export trade, and the beneficence of the Dingley tariff. An anti-trust plank deprecated combinations designed to create monopolies, and promised legislation to prevent such abuses. Imperialism was briefly dismissed: "No other course was possible than to destroy Spain's sovereignty throughout the West Indies and in the Philippine Islands. That course created our responsibility before the world . . . to provide for the maintenance of law and order, and for the establishment of good government and for the performance of international obligations."

The dissension which had existed within the Democratic party since the second administration of Cleveland was still the important fact about the organization. Having been out of power, the party could take only the negative position of hostile criticism; there had been no reorganization and clarification of purposes, and no new leader had appeared who combined the personal prestige of Bryan with those qualities of

conservatism and solidity which the East demanded, so that from the beginning there was no doubt that Bryan would again be the candidate and that he would take the lead in framing the platform. The convention met in Kansas City, on July 4. The platform placed most emphasis upon three issues. The first, which was declared the "paramount" one, was imperialism. The reasons given for opposing territorial expansion were mainly those brought forward by Senator Hoar at the time when the peace treaty was under discussion.

> We declare again that all governments instituted among men derive their just powers from the consent of the governed; that any government not based upon the consent of the governed is a tyranny; and that to impose upon any people a government of force is to substitute the methods of imperialism for those of a republic.

The second issue, the evils of big business, received renewed attention, although an old complaint, because of the many industrial consolidations of the years immediately preceding. The "trusts" were condemned for appropriating the fruits of industry for the benefit of the few, and the Republican party was charged with fostering them in return for campaign subscriptions and political support. The Dingley act was denounced as a "trust-breeding" measure. The remedies proposed were severely definite in comparison with the vague plank which had been offered by the Republicans: they included publicity as to the affairs of corporations doing an interstate business; the prohibition of stock-watering and attempts at monopoly; and the use of all the constitutional powers of Congress over interstate commerce and the mails for the enactment of comprehensive and effective legislation. That the silver issue was mentioned was due to the insist-

ence of Bryan, who believed that the stand which had been taken by the party in 1896 was a right one. Notwithstanding the objections of many influential leaders, therefore, a free silver plank was inserted, although in brief terms and in an inconspicuous place.

As a political contest, the campaign of 1900 lacked life in comparison with that of 1896. Interest in anti-imperialism was difficult to arouse, and waned visibly as the weeks wore on. Prosperity and the increased money supply sapped the strength of earlier discontent with the currency situation, so that the choice presented to the voters simmered down to imperialism and Bryan. A bit of vigor was infused into the campaign through the energetic speaking tours of Roosevelt and the Democratic leader. Hanna, as Chairman of the Republican National Committee, organized everything with his usual skill, and raised, his biographer tells us, $2,500,000 from the important business men of the country — one-fifth of it from two companies. The result of the election was the choice of McKinley, whose plurality over Bryan exceeded 860,000 in a total vote of less than 14,000,000; Bryan received less support than had been accorded him in 1896.

While imperialism as a political issue was being discussed and decided, the history of American control in Cuba, Porto Rico and the Philippines was rapidly being written. Economic conditions in the first of these islands at the time of the American occupation were little short of appalling. The streets, houses and public institutions were filthy and in disrepair; anarchy ruled, for lack of any stable and recognized government; and the people were half-clothed, homeless and starving. At noon on January 1, 1899, the Spanish flag was hauled down in Havana, the American flag

was hoisted in its place, and representatives of the former government relinquished all rights to the sovereignty and public property of the island. General John R. Brooke, and later General Leonard Wood controlled affairs as military governors.

The first task was to feed the hungry, and care for the sick and dying. The customs service was revived under command of Colonel Tasker H. Bliss and began to supply needed revenue. The penal institutions were investigated—noisome holes in which were crowded wretched prisoners, many of whom had been incarcerated for no ascertainable reason. Education was reorganized, equipment provided, teachers found, and schools repaired or rebuilt. Most remarkable, was the work of sanitation. Heaps of rubbish were cleared away; houses washed and disinfected; sewers were opened and streets cleaned. Scientific investigation disclosed the fact that the mosquito disseminated the yellow fever and steps were taken to prevent the breeding of these pests. So successful were the efforts that in a few years the fever had become a thing of the past.

It was seen that the economic rehabilitation of Cuba must come about mainly through the production of sugar, and since the United States was the chief purchaser of the product, the tariff schedule was of vital importance. In 1901 Congress was urged to reduce the tariff on imports from Cuba, but the opposition was formidable. The American Beet Sugar Association complained that their industry, which had been recently established, would be ruined by allowing reductions to Cuban growers; the cane-sugar planters of Louisiana were allied with them; and the friends of protection feared the effect of any break in the tariff wall. On the other hand,

the American Sugar Refining Company, popularly called the "Sugar Trust," merely refined raw sugar and desired an increase in the supply. Lobbyists of all descriptions poured into Washington to influence committees and individuals, and General Leonard Wood, then the Governor of Cuba, even expended Cuban funds in the spread of literature favorable to a reciprocal reduction of duties. In the meantime, a reciprocity treaty was made and submitted to the Senate, where it hung fire for somewhat more than a year, and was finally ratified on December 16, 1903. It provided for the admission of Cuban products into the United States at a reduction of twenty per cent., and a reciprocal reduction on American goods entering Cuba of twenty-five to forty per cent.

The establishment of a policy in regard to permanent relations between the United States and Cuba was brought about in 1901–1902. When Congress had demanded the withdrawal of Spain from the island in 1898, its action had been accompanied by the Teller Resolution, disclaiming any intention of keeping Cuba and asserting a determination to leave the control of the island with its people. After the close of the war President McKinley and his closest advisors in Congress had determined that the pledge should be kept, and public sentiment had been in agreement with them. As soon, therefore, as American control was an established fact, plans were formulated for relinquishing Cuba to the people of the island. A constitutional convention was held, and a form of government, modelled on that of the United States, was framed and adopted on February 21, 1901.

While the Cuban convention was deliberating, it became apparent that the constitution would not include any statement of a policy in regard to future relations

with the United States. The American Senate, therefore, under the leadership of Senator O. H. Platt, passed the so-called "Platt Amendment." Its several provisions were as follows: the Cuban government shall never enter into agreements with other powers which tend to impair the independence of the island; it shall not contract public debts of such size that the ordinary revenues would be inadequate to pay interest charges and provide for a sinking fund; it shall permit the intervention of the United States when needed to preserve Cuban independence and the maintenance of an adequate government; and it shall sell or lease necessary coaling stations to the United States. When satisfied that the purpose of the Amendment was not to enable the United States to meddle in affairs in Cuba, but merely to secure Cuban independence and set forth a definite understanding between the two nations, the convention incorporated it in the final constitution. On May 20, 1902, the control of Cuba was formally relinquished to the people of the island, with the good wishes of the people of the United States. Only once since that time has the United States intervened. During the summer of 1906, an insurrection against the Cuban government took place during which the president of the Republic requested American assistance. A small army was despatched, which remained until March, 1909, when quiet was restored and an orderly election was held.

The task of the United States in Porto Rico was far simpler than in Cuba. The island was small; the people homogeneous, predominantly white, and well-disposed toward American occupation; and only slight damage had been done by the troops during the war because of the cessation of hostilities at the outset of

the Porto Rican expedition. The development of a system of education, therefore, the improvement of roads and the betterment of health conditions through vaccination and the control of yellow fever presented a problem which was relatively simple.

On October 18, 1898, United States officials assumed control of the island, and until May 1, 1900, the government was in the hands of the War Department. On the latter date a civil government was established under the "Foraker Act," an organic law or constitution passed by Congress on April 12, 1900. Under the provisions of the Act a governor was to be appointed by the President of the United States, to be the chief executive officer of the island. The people of Porto Rico were allowed a voice in the government through the power to elect the lower house of the legislature; but control by the United States was assured by giving the President authority to choose the members of the upper house, and by giving both the governor and Congress a veto on legislation passed by the island legislature. In the course of time the Porto Ricans desired larger self-government. This was granted by the act of March 2, 1917, which made the islanders citizens of the United States and gave them power to elect both houses of the legislature.[1]

The first difficulty met by the United States in the Philippines was an inheritance from Spanish rule. In 1896 the Filipinos, led by Aguinaldo, had risen against the government in order to secure more liberal treatment and to eliminate the influence of the Catholic friars from politics. The "embers of dissatisfaction"

[1] Under the provisions of the Foraker Act only fifteen per cent. of the usual duties were to be paid on goods passing between the island and the United States, and since July 25, 1901, complete free trade has existed.

were still aglow when the American war intervened. Relations between the revolutionists and the United States forces became strained when the former were not allowed to cooperate with the Americans against the Spanish, and in February, 1899, open warfare followed. Not until July, 1902, was quiet restored, and during the process enough cruelties were practiced by American soldiers to make the anti-imperialists doubly fearful of military control.[1]

McKinley and his Secretary of War—at this time Elihu Root—desired to supplant military government with civil rule as quickly as possible and to this end the President appointed the first Philippine Commission on January 20, 1899, with Jacob G. Schurman, of Cornell University, as Chairman. It was instructed to investigate the situation in the islands and to recommend any action that seemed wise. The unsettled condition of affairs seriously hampered the work of the Commission but it gathered a fund of information which it later published. A second Commission was sent out in 1900, with Judge William H. Taft at the head. The instructions given to the Commission by President McKinley embodied an enlightened colonial policy, the core of which was that the government being established was "designed not for our satisfaction, or for the expression of our theoretical views, but for the happiness, peace, and prosperity of the people of the Philippine Islands." The Commission wielded such large powers that gradually the area controlled by the civil government increased at the expense of the military authorities, and by 1902 only the wild Moros were under military control.

[1] The Philippine group is about 7,000 miles southwest of San Francisco; the chief island, Luzon, is almost exactly the size of Ohio, 40,000 sq. miles; the largest city, Manila, contained over 250,000 people at the time of the American occupation.

By this time a definite form of government could be planned for, built upon the labors of the second Commission. The Philippine Act of July 1, 1902, provided for a governor appointed by the President, with the advice of the Senate, executive departments, and a legislature, the lower house of which was elected by the people. From the beginning the Filipinos, like the Porto Ricans, have desired a greater range of self-government, and in 1916 long steps were taken in the direction desired by them. The Jones act of that year materially increased the powers of the Philippine government and gave the Filipinos power to elect the upper as well as the lower house of the legislature. The passage of the law met with enthusiastic approval in the islands.

The purpose of American rule in the Philippines has been to fit the people for self-government, although opinions have differed as to how soon the final outcome could be brought about. An early and bothersome problem was found in the friars' lands, which consisted of about 425,000 acres, for the most part in the vicinity of Manila. The possession of so great an area, together with the religious power and the considerable political authority which the friars exercised under Spanish rule, gave the Church a domination which might threaten trouble after the American occupation. The solution of the problem was found in the purchase of the lands for about $7,000,000 by the United States. Efforts have been made to introduce a complete system of education—physical and industrial, as well as academic—with such success that when the Jones bill was being discussed in Congress in 1916 it was asserted that every member of the Philippine legislature at that time was a college graduate. In 1917 the Filipino student body numbered 647,256, with 11,-

822 teachers. Political education has also been a part of the American idea. Elementary self-government was gradually introduced, starting in the more civilized local municipalities and provinces and confining the suffrage to the educated people, the official classes and property owners. The preservation of order has been more and more entrusted to a Philippine constabulary; civil service officers and school teachers have been increasingly chosen from the Filipinos; and the courts have been partly manned with native judges. Work in sanitation has followed the lines marked out in Cuba and Porto Rico. First and last over 10,000,000 vaccinations were performed before 1914; small-pox has been controlled; attention has been paid to the building of highways and railroads, water supply, the disposal of sewage and allied problems. The precise time, if ever, when independence should be granted to the Philippines is the one great question remaining.

The first attempt to revise the customs laws in the Philippines was made by the Commission during the governorship of William H. Taft. These schedules were revised in Washington in such a way as to discriminate against Philippine interests, but they had remained in force only a short time when Congress passed the act of March 8, 1902, allowing goods grown or produced in the Philippines to enter the United States under a twenty-five per cent. reduction. In 1909, the tariff makers were induced to relent to the extent of allowing the free importation of goods grown, produced or manufactured in the Philippines, except that only a specified annual amount of Philippine sugar and tobacco might be brought in. In 1913 the wall was entirely removed on all trade between the United States and the Philippines in articles made or grown in either of the two countries.

While Congress and the President were concerning themselves with the practical problems of military control, sanitation and the like, the Supreme Court was laboriously considering the less tangible but equally perplexing question of the constitutionality of the several acts which the legislative and executive departments had committed. The power of Congress to acquire territory and the right of the executive to control new territory under the war power had long been conceded. Admittedly, however, government under the war power was temporary and transitional. In earlier times such acquisitions as those effected by the Louisiana purchase and the annexation of Texas had been consummated with the distinct understanding that these regions should immediately or eventually become territories or states in the Union. The status of Porto Rico and the Philippines was novel. "The civil rights and political status of the native inhabitants of the territories hereby ceded to the United States," ran the words of the treaty of peace closing the war with Spain, "shall be determined by the Congress." Did this mean that Congress might govern the new acquisitions independently of the Constitution? Could it abridge freedom of speech, and permit cruel and unusual punishments, or establish slavery? Could Congress permanently govern these lands without giving their citizens the rights of citizens of the United States, and with no intention of ever making them territories or states? On the other hand, if Congress must act within the limits prescribed by the Constitution, would the wild Moros of the Philippines be the beneficiaries of the amendment preserving the right of trial by jury? In the popular language of the day, did the Constitution follow the flag?

It was not long before the Supreme Court was called

upon in the "Insular Cases" to express itself upon these constitutional questions. The first case was De Lima *v.* Bidwell. It was a suit to recover duties paid on goods sent from Porto Rico to the United States during the interval between the cession of the island and the passage of the Foraker Act. The duties had been paid under the Dingley law, which levied customs of specified amounts upon all goods imported "from foreign countries." Was Porto Rico a "foreign" country? The majority of the nine members of the Court thought that it was not foreign, that there was scarcely a "shred of authority" for the view that a "district ceded to and in the possession of the United States remains for any purpose a foreign country." Since Porto Rico was not a foreign country, the duties were wrongfully collected and must be returned. The remaining four justices dissented. One of them delivered a dissenting opinion in which he held that Porto Rico occupied middle ground between that of a foreign country and domestic territory. As such its status could be determined by Congress only and therefore its products were subject to duties levied by the Dingley act.

In Downes *v.* Bidwell the Court was compelled to determine the constitutionality of the part of the Foraker Act which provided for a tariff between Porto Rico and the United States equal to fifteen per cent. of that levied by the Dingley act. Again the Court divided five to four. Mr. Justice Brown delivered the majority opinion. It was to the effect that the Constitution applied only to States; that Congress possessed unlimited power over the political relations of the territories; that Porto Rico was a "territory appurtenant to and belonging to the United States"; and that the part of the Constitution which says that duties shall

be uniform throughout the United States did not apply to Porto Rico unless Congress so willed. Hence the customs clause of the Foraker Act was valid. Four of the majority, however, who agreed with Mr. Justice Brown in his conclusion that the tariff clause of the Foraker Act was constitutional did so for reasons which they asserted to be "different from, if not in conflict with, those expressed" by him.

From the point of view of constitutional law, the decisions were unsatisfactory, because of the balanced division of opinion. Yet to have declared all the provisions of the Constitution in force in all the acquisitions would have been embarrassing. Logic and the Constitution went to the winds, while the executive and legislative departments administered the territories on the convenient and flexible theory that certain constitutional provisions must be heeded and that others need not.

While the colonial policy of the United States was being developed, the possession of the Philippines added interest in the United States to an unusual international situation in China which immediately involved several European nations and eventually affected America. The Chinese-Japanese War, which came to a close in 1895, had uncovered to the world the weakness of China as a military power and had weakened the hold of the reigning monarch upon the people of the Empire. Thereupon the leading commercial nations of Europe began to seize portions of China in order to extend their trade relations in the Far East. Russia first attempted to obtain a seaport, but retired when an uproar of protest arose from the remainder of Europe. Not long afterwards, two German missionaries in the province of Shantung were

murdered. The outrage formed a sufficient pretext for aggressive action, as a result of which China leased Kiaochau to Germany for ninety-nine years, including in the grant railway and mining privileges and an indemnity; Russia then renewed her attempt and succeeded in leasing Port Arthur and Talienwan for twenty-five years. Great Britain followed with the acquisition of rights in Weihaiwei similar to those of Russia in Port Arthur; Japan found its share in the province of Fukien, and France in Kwangchaouwan. In each case, moreover, the leasing power designated a large area around its holdings as a "sphere of influence," in which its economic and political mastery was complete. In this way, thirteen of the eighteen provinces of China, including the most desirable harbors, waterways and mines, were partially controlled by the powers.

American foreign affairs had been, since October 1, 1898, in the skilful hands of John Hay, who was possessed of an intimate knowledge of conditions in Europe. Hay perceived the danger to American commercial interests in China, and accordingly in September, 1899, he addressed a circular note to the powers requesting each of them to give formal assurances that in its sphere of influence: (1) it would not interfere with any treaty port or vested interest; (2) it would agree that the Chinese tariff should apply equally to all goods shipped to ports in the spheres, and be collected by the Chinese officials; and (3) it would charge no higher harbor and railroad rates for citizens of other nations than for its own. The powers having agreed more or less directly, Hay informed them by a note of March 20, 1900, that all had acceded to his propositions and that the United States considered their assent as "final and defini-

tive." There could be, of course, no effectual guaranty that the powers would fully observe this "Open Door" policy, but the economic penetration of China, which would soon result in complete political possession, was at least retarded for the moment.

Domestic affairs in China, meanwhile, had been seething under the surface. An ill-starred reform movement, initiated by the Emperor, had failed, the government was discredited, and the Empress Dowager seized the throne for herself. All China interpreted the event to presage a return to the old order of things—a general anti-foreign movement. Economic distresses, bad crops, a disastrous flood and hatred of foreign missionaries, combined with a deep resentment at the European partition of their country, caused the Chinese to break out in a score of scattered attacks on the hated aliens. The culmination was the Boxer Rebellion. The Boxers was a society which had long existed in China for various religious, patriotic and other purposes. It took up the cry "Drive out the foreigners and uphold the dynasty." Government officials by their disinclination to quell the Boxer uprising, showed that their sympathies were with the rioters.

The climax of the outbreak came in and around Pekin, the capital of China. The railroad from the city to the coast was seized, telegraphic connection cut off, and the representatives of the foreign powers were compelled to fortify themselves within the city. On June 19, 1900, all foreigners were ordered to leave within twenty-four hours, and the German minister was shot when he attempted to visit the proper officer in order to protest. The Chinese army poured out to surround the quarter of the city where the legations were situated and cut them off from the rest of the

world. All foreigners fled to the British legation, where they constructed bomb proof cellars, raised barricades and planted artillery.[1] The powers, including the United States, combined to send a punitive expedition to Pekin, while the legationers settled down to a state of siege, determined to hold out as long as possible. At last on August 14, when the surviving foreigners were reduced to eating horse flesh and when scores had been killed or wounded, the relief column reached the capital. It was high time. The foreign quarters and much of the business portion, the banks, and the theatres had been burned, and the entire city threatened with destruction.

By the time that the uprisings in Pekin and elsewhere had been suppressed, it was evident that the powers would have a stern accounting with China. Hay had already openly announced the policy of the United States in his note of July 3, 1900; it was that the United States would seek a solution which should bring about permanent safety and peace to China, preserve the territorial entity of the country, protect the rights of friendly powers and insure an equal opportunity for all nations in the commerce of China. Hay continued through the negotiations to urge joint action on the part of the powers, and procured from them a statement disclaiming any purpose to acquire any part of China. At length in December, 1900, the demands upon China were formulated, to which that unhappy nation was compelled to accede. The most important were, punishment for the guilty rioters, safeguards for the future, indemnities for losses and the improvement of commercial relations. The financial indem-

[1] It was on the occasion of despatching troops to avenge the death of Von Ketteler, the German minister, that the Emperor gave instructions to "give no quarter and to (act) so like Huns that for a thousand years to come no Chinese would dare to look a German in the face."

nity finally placed upon China was $333,000,000, of which $24,000,000 was for the United States. The latter sum proved to be more than sufficient to satisfy all claims and China was relieved from the payment of about $11,000,000. As a mark of appreciation for this act, the Chinese government determined to use the fund in sending students to the United States for education.

While the problems concerning China and the colonial possessions of the United States were reaching a settlement, on September 6, 1901, President McKinley attended the Pan-American Exposition in Buffalo, where he was shot by a young fanatic. He died eight days later and Vice-President Roosevelt succeeded him.

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CHAPTER XIX

THE BEGINNING OF A NEW CENTURY

MOST of the tendencies which characterized the growth of population, the expansion of the West, the concentration of the people in cities, the development of manufacturing and agriculture, and the extension of the railway system, from 1870 to 1890, were equally significant during the two decades following the latter year. Nevertheless there were important differences of detail in the tendencies of the later period; and about the year 1900 in particular there occurred changes that were far-reaching.

The rate of growth of population slowed up slightly after 1890, being twenty-one per cent. per decade, as contrasted with twenty-five per cent. from 1870 to 1890. The increases were distributed over a larger area during the later two decades, and aside from the industrial states, those which showed the greatest growth were Oklahoma, Texas and California. Immigration continued to be large, and concentrated in the north, especially in the cities. In New York city, for instance, forty per cent. of the inhabitants in 1910 were foreign born, and thirty-eight per cent. more were of foreign, or mixed foreign and native parentage. The chief European contributors to the population of America in 1910 in the order of their importance were Germany, Austria-Hungary, Russia, Ireland, Italy and England. Moreover the foreign elements had frequently become concentrated in especial states: the


127° 122° 117° 112° 107° 102° 97° 92° 87° 82° 77° 72° 67°
45° 40° 35° 30° 25°
The chief foreign elements in the population of the United States, 1910.
GERMANS
IRISH
RUSSIANS
AUSTRO-HUNGARIANS
ITALIANS
SCANDINAVIANS
117° 112° 107° LONGITUDE 102° WEST 97° FROM 92° GREENWICH 87° 82° 77°

Germans in Wisconsin, Minnesota and Illinois; the Russians in New York, North Dakota and Connecticut; the Austrians in Pennsylvania and New Jersey; and the Irish in Massachusetts, Connecticut and New York. The immigration of Canadians, which had been of importance before 1900, appreciably slowed down after that year; and instead there was a distinct movement in the opposite direction, especially from Minnesota, North Dakota and Washington. The emigration was caused mainly by the desire to take up fertile lands which had been widely advertised by the Canadian government. The migration from the eastern states toward the West continued as in earlier years. It was noticeable, however, that whereas previous migration had been almost wholly on east and west lines, there was in later years a greater tendency to seek favorable openings wherever they were found. Oklahoma, for example, in 1910 contained 71,000 natives of Illinois, 101,000 Kansans and 162,000 Missourians. The trend of population toward the cities was so rapid between 1890 and 1910 as to suggest the likelihood that by 1920 half the people of the country would be living in communities of 2,500 persons or more. Of the twenty-three towns that more than doubled in numbers during the two decades after 1890, seventeen were in the South and on the Pacific Coast, indicating that the tendency toward urban life was no longer confined to the North and East.

Manufacturing increased its importance as the greatest economic activity in the Northeast, and was moving westward so rapidly that Ohio, Michigan, Indiana and Illinois found their interests becoming increasingly like those of the eastern states. Parts of the South, also, developed considerable industrial interests. The manufacture of cotton goods, for example,

increased with such rapidity that three of the first five states in the value of their product in 1909 were southern states—North Carolina, South Carolina and Georgia. Since 1889 the production of lumber has taken a prominent place. Louisiana doubled its activity from 1889 to 1899 and had tripled this record by 1909. Almost the entire South from Virginia to Louisiana produced large amounts during the twenty years under consideration. The iron and steel industry in Alabama, and the production of turpentine, resin and fertilizers were other important southern interests. Throughout the country at large the number of wage earners engaged in manufacturing grew somewhat more rapidly than the population, being about twenty-five per cent. per decade from 1890 to 1910.

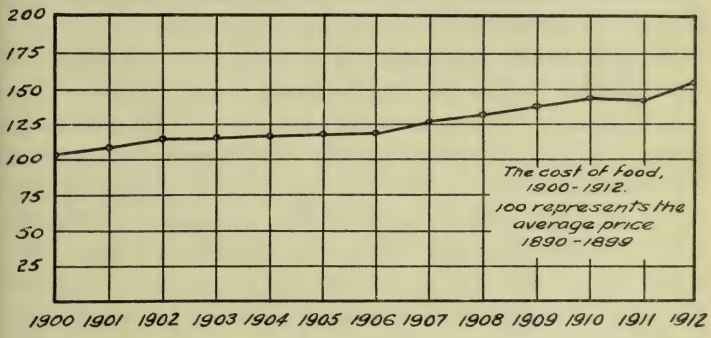
The center of agriculture continued to be in the Middle West, in which was to be found nearly fifty-three per cent. of the improved farm lands and fifty-eight per cent. of the value of all farm property. It was in this part of the country that the greatest increases in the amount of improved land took place, and particularly in the prairie country west of the Mississippi. By 1890 the Plains had lost their earlier unique and picturesque characteristics as a cattle country, and had given way to the homesteader. Hence the greatest expansion in agriculture took place in the tier of states from North Dakota to Texas. It appeared, therefore, that manufacturing was driving agriculture farther and farther to the west: New England cultivated less farm land in 1910 than in 1850; the improved area in New York, New Jersey and Pennsylvania declined after 1880; Ohio tilled fewer acres in 1910 than in 1900, and the gradual replacement of agriculture by manufacturing was observable in Indiana and Illinois. Oklahoma and Texas, on the other hand, together

opened to cultivation between 1890 and 1910 nearly 24,000,000 acres, an expanse almost equivalent to the combined areas of New Hampshire, Vermont, Massachusetts and Maryland.

By 1890 it was clear that the future of the Far West lay in agriculture, rather than in the mining of the precious metals. Between that date and 1910, the amount of improved farm land in the section increased sixty-five per cent. In the states of Washington, New Mexico, Colorado, Idaho and Montana, large areas were placed under cultivation. In Washington the amount of improved farm land increased about 350 per cent. The growing of fruits and nuts was brought to a high state of excellence in the coast states. The timber industry developed after 1880 and particularly after 1900. About the close of the nineteenth century the great lumber companies began to seek sources of supply to take the place of those around the Great Lakes. They turned to the South and the Far West. The methods which were used for getting control of the land, and the recklessness with which the supplies of timber were cut off became of importance as causes of the conservation movement. The main handicap in the way of the development of trade between the Far West and the East was the great distances involved. Hence arose the interest of the Coast in transcontinental railway rates and the project for a canal across the isthmus of Panama.

An economic fact of no little importance was a change in the downward tendency of the price level after 1896. It will be remembered that the constant fall in prices from 1873 to 1896 had brought distress to the farmers of the West and had been one of the causes of the Populist revolt. After 1896 the process was reversed. Between that year and 1913 the quantity of

gold in circulation considerably increased, as has been seen; bank deposits subject to check trebled in volume, and the use of checks became more common; altogether it was estimated by Professor Irving Fisher that the quantity of money in circulation increased two-fold. Prices were fifty per cent. higher in 1913 than in the earlier year, and accordingly the complaints of the farmer were less frequently heard. The



Based on the Bulletin of the U.S. Bureau of Labor - Oct. 1, 1912

wage earner in the factories, however, was differently affected. The price which he had to pay for the necessities of life increased faster than his wages, so that his standard of living was going down. Inasmuch as the number of wage earners in the factories was rapidly increasing, it seemed inevitable that the problem of rising prices after 1896 would constitute as great a problem as the problem of falling prices had done before that year.

In industrial enterprise the close of the nineteenth century and the opening of the twentieth were characterized by a mad rush toward consolidation. To a milder degree the process had, of course, been under

way for many years, during which the Standard Oil Company and other trusts were the subject of much study and legislation. In the course of time some of these concerns made such great profits that their leaders sought attractive openings for the investment of their surplus. They began to appear on the boards of directors of railways, banks, electric lighting companies and other industrial organizations. Before 1900 two powerful groups had definitely formed. The Standard or Rockefeller group was obtaining large interests in such railroads as the Missouri, Kansas and Texas, the Delaware, Lackawanna and Western, and the Chicago, Milwaukee and St. Paul. It was reaching out to the gas and electric companies in New York, had an alliance with the National City Bank and others, and was in touch with great life insurance companies such as the Equitable and the Mutual of New York. Such connections enabled them to determine the policies and direct the investments of these important concerns. The Morgans extended their influence over the Philadelphia and Reading, the New York, Lake Erie and Western, the Lehigh Valley and others. Morgan himself also entered the industrial field as organizer of the Federal Steel Company and the National Tube Company.

The mania for organizing large corporations came to a climax about 1900. The census taken in that year noted ninety-two that had been formed between January 1, 1899, and June 30, 1900. Early in 1904 the editor of Moody's *Manual of Corporation Securities* noted the existence of 440 large industrial and transportation combinations whose capitalization as measured by the par value of their stocks and bonds was nearly $20,500,000,000. The securities—stocks and bonds—of the new companies were eagerly taken up by

the investing public. Prosperity was wide-spread and the financial strength behind the organizations seemed unlimited. Speculation became common. A few individuals amassed wealth through the shrewd purchase and sale of stocks, and countless others sought unsuccessfully to imitate them. Where sales of 400,000 shares on the stock exchange had formerly been looked upon as a good day's business, the record jumped to a million, then two, and even three.[1]

A threatened competitive struggle among certain steel manufacturers in 1901 led to the formation of the United States Steel Corporation, the most famous consolidation of the period. It was, strictly speaking, a "holding corporation" which did not manufacture at all, but merely held the securities and directed the policies of the group of companies of which it was composed. It integrated all the elements of the industry—ore deposits, coal mines, limestone, a thousand miles of railroads, ore vessels on the Great Lakes, furnaces, steel works, rolling mills and other related interests. The value of the tangible property which was thus brought under the control of a single group of men was estimated by the United States Commissioner of Corporations at about $700,000,000. The company issued securities, however, to somewhat over twice this amount. In other words, about $700,000,000 of the capitalization was "water," that is, securities issued in excess of the value of the tangible properties owned. The prices paid to those who controlled the constituent companies were such as to make them multi-millionaires over night, and the commission given to the financiers who organized the Corporation was unparalleled in size, amounting to $62,500,000.

[1] The shrinkage of the value of these securities caused the "rich men's panic" of 1903. Consult Noyes, *Forty Years*, 308–311.

The appreciation of the value of the ore deposits controlled by the Steel Corporation later replaced some of the water in its securities, but in many cases no such process came about. Investors therefore discovered that the paper which they had purchased did not represent real property, but merely the hope of a company that its profits would be large enough to provide returns upon all its securities. One hundred of the leading industrial stocks shrank in value $1,750,000,000 within eighteen months. In the case of the Steel Corporation it was noticeable that its supremacy depended to a large extent on the possession of resources of ore on land much of which had originally belonged to the public, a fact which, the Commissioner of Corporations remarked, made the affairs of the company a matter of public interest.

The growth and consolidation which characterized the history of industry were also taking place in the railway system, although somewhat more slowly. It has already been noted that the length of the railroads had reached 160,000 miles by 1890. For the next two decades the rate of construction diminished slightly, yet the total in 1914 was 252,231 miles, and the par value of all railroad securities was estimated at $20,500,000,000. Nearly four and a half million persons, a railroad president estimated in 1915, were at that time interested in the industry as employees, as workmen in shops making railroad supplies, or through the ownership of stocks and bonds.

The management of the roads is, of course, continually changing; alliances are made and broken; groups form and dissolve. About the time that the United States Steel Corporation was being organized, however, about ninety-five per cent. of the important lines were in the control of six groups of influential persons,



Morgan-Hill railroads as listed shortly after 1900.

which were dominated by fourteen individuals. Each group had obtained the upper hand in the roads of one or more sections. The Morgan-Hill group, for example, held the Chicago, Burlington and Quincy, the Northern Pacific, the Great Northern, the Southern, the Atlantic Coast Line, the Erie and others, amounting to 47,206 miles. E. H. Harriman, chairman of the board of directors of the Union Pacific, succeeded in obtaining control of so many lines that by 1901 the Interstate Commerce Commission asserted that the consummation of plans which he then had in mind would subject nearly one-half the territory of the United States to the power of a single will. Before his death in 1909 he had obtained practical control of a system of roads running from coast to coast and passing through the most important cities of the country and had planned to continue indefinitely the process of acquiring new lines.

The concentration of the banking interests of the country went hand in hand with consolidation in industry and railway control. The unprecedented operations which have just been mentioned demanded unprecedented amounts of capital and credit, and the concentration of these necessities occurred in New York City. The Standard Oil group and the Morgan group dominated the banking interests to such an extent that it was doubtful whether any great business enterprise demanding large capital could be started without the aid of one or the other of them. Some years later a congressional investigation was started, to discover whether the control of a few men over the financial affairs of the nation amounted to a "money trust," and at that time it was found that the members of four allied financial institutions in New York City held 341 directorships in banks, insurance companies,

railroads, steamship companies and trading and public utility corporations, having aggregate resources of $22,245,000,000.

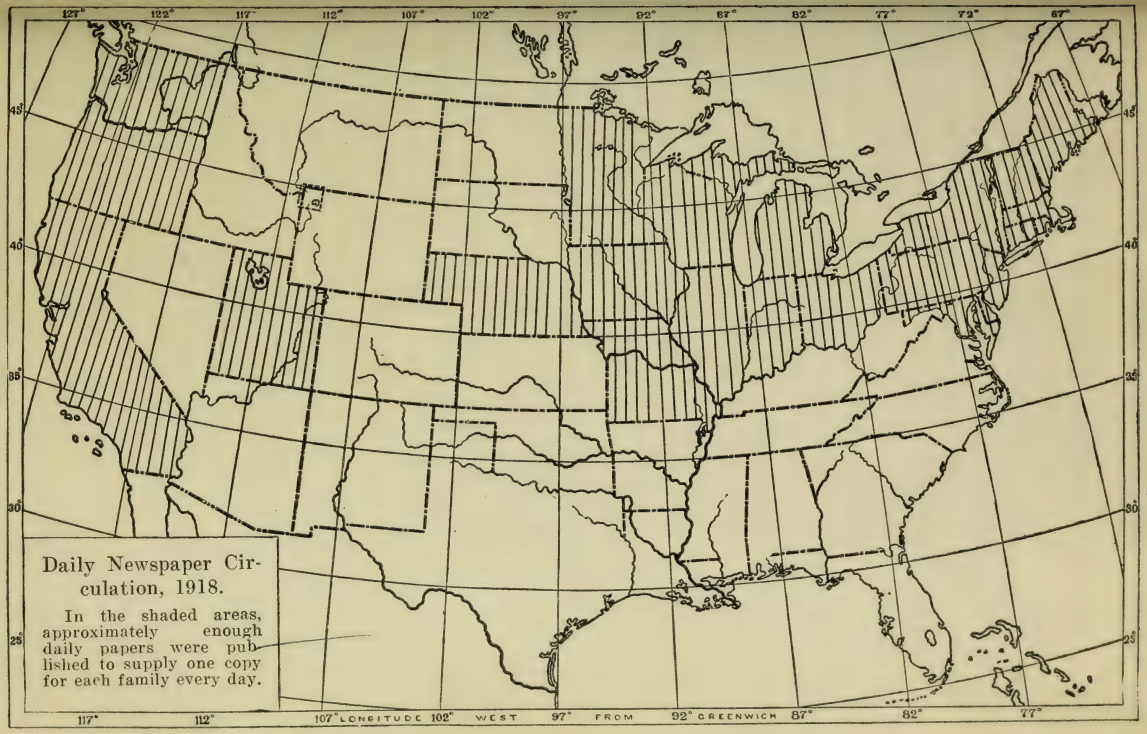
The financial power thus placed in the hands of a small number of men was the cause of much legislation passed by the states and by Congress in connection with the railroads and trusts. Opinions varied widely in regard to the effects of concentration. On the one hand it was argued that the men of greatest ability and vision naturally came to the top; that industry received the necessary stabilizing influence; that production and demand were compelled to harmonize; that scientific research directed toward the discovery of new processes and products, and the better utilization of old ones could be successfully carried on only by concerns with large resources; and that efficiency and economy resulted from large-scale operation. On the other hand it was pointed out that a small number of persons who were responsible to nobody could dominate the fortunes of hundreds of thousands of wage earners, manipulate production, make or break a region or a rival, bring about financial crises and, in a controversy or for private gain, use a great industry or a railroad as a weapon and wreck it regardless of the welfare of the public at large.

Among the intellectual forces underlying American history after 1890, a prominent place should be given to the expansion of the public library, the growth of public education and the development of the press. Many libraries, of course, had been established long before the Civil War—the Library of Congress, for example, having been founded in 1800—but the great growth of the public library supported by taxation and open to all citizens alike occurred after 1865. Between

that year and 1900 no fewer than thirty-seven states passed laws enabling the towns within their borders to levy taxes for the support of public libraries; private bequests amounted to fabulous sums, the outstanding example of which were the gifts of Andrew Carnegie, amounting to $62,500,000 between 1881 and 1915. By 1914 there were over 2,000 libraries containing at least 5,000 volumes, and forty that contained more than 200,000 each.

The significant features in the growth of education between 1865 and 1890 had been the improvement of the public grammar school, the establishment of high schools and the foundation of the great state universities. After 1890 the public high schools were greatly improved, business and vocational courses were added, and the enrollment at the colleges and universities received large additions. Such universities as that in Wisconsin exerted an unusual influence on intellectual and political currents in individual states.

A large proportion of the political, social and economic changes and reforms that have taken place in the United States since 1890 have done so because public opinion was educated, quietly influenced or noisily bestirred by the press. Governors and presidents appealed to their constituents through the newspaper and the periodical. Political campaigns have become increasingly matters of publicity; candidates for office have their press bureaus; corporations, abandoning their traditional policy of silence, explain their practices; and railroads defend their policies by means of advertisements in the newspapers. Newspaper correspondents go out through the country months before candidates for the presidency are nominated, and discover and publish sentiment favorable to the individual whom the particular organ desires to see placed in


127° 122° 117° 112° 107° 102° 97° 92° 87° 82° 77° 72° 67°
45° 40° 35° 30° 25°
Daily Newspaper Circulation, 1918.
In the shaded areas, approximately enough daily papers were published to supply one copy for each family every day.
117° 112° 107° LONGITUDE 102° WEST 97° FROM 92° GREENWICH 87° 82° 77°

office. In 1918 the circulation of the daily newspapers amounted to approximately 28,000,000 copies for each issue. In the North, the Middle West, and on the Pacific Coast the number published was sufficient to provide every family with one copy. The South and the Rocky Mountain region were less well supplied. The great metropolitan newspapers circulate widely, not only in the immediate vicinity of the publisher's office, but over a wide area outside. At least one of them in 1918 approached half a million copies daily, another exceeded 800,000, and a third issued nearly three-fourths of a million on Sunday. William R. Hearst established a chain of newspapers which gave him an audience of over a million readers every day. Several of the weekly and monthly magazines circulated in hundreds of thousands of copies; and one weekly periodical which presented newspaper opinion of all shades of political partisanship had a circulation of 750,000 copies for every issue.

The rise of the "muck-rake"[1] magazines was typical of the ten years at the opening of the twentieth century. These periodicals printed articles which portrayed a side of American life not commonly discussed in the newspapers. One of the earliest serials of this type was Miss Ida M. Tarbell's History of the Standard Oil Company, published in *McClure's Magazine* in 1902–1903. Instead of the ordinary eulogy of the size and success of the Company, Miss Tarbell presented many of its unfair practices. At the same time and in the same publication Lincoln Steffens was exposing the seamy side of municipal affairs in "The Shame of the Cities." Between 1901 and 1906 one of the muck-rake

[1] The word originated in 1906 with President Roosevelt, who likened certain sensational journalists to the man with the Muck-Rake in Bunyan's *Pilgrim's Progress*. *Annual Register*, 1906, 442.

periodicals increased its sales threefold, another four and another seven.

Cooperation among newspapers in the gathering of information is no novelty in the United States, but the greatest strides have been taken since 1890. By 1915 the Associated Press had leased 50,000 miles of telegraph wires forming a net all over the country; it had agents in every important news center; it exchanged services with three European press associations; and it had its own representatives not only in London, Paris, and Berlin, but in Fez, Madeira, Colombo, Tsingtau and Sydney. News from Europe reached New York in less than an hour and was promptly sent to 900 newspapers, whence it was copied in thousands of daily and weekly publications. As in the case of other enterprises the publication of newspapers showed a tendency towards consolidation. The establishment of a new periodical became a million-dollar venture, and it remains to be seen whether the tendency toward centralization will result in the publication only of such news or such phases of the news as meet the approval of the relatively small number of persons that can launch a million-dollar organization.

It will be remembered that *laissez faire* was the prevailing theory in regard to the proper relation between government and industry during the twenty-five years after the close of the Civil War, except in so far as industrial organizations desired protective tariffs. In brief the upholders of this creed contended that legislation should concern itself as little as possible with the regulation of trade, that it should restrict itself to protecting commerce from interference and that business men should be permitted to work out their own problems with the least possible reference

to such artificial forces as were supplied by legal enactments.[1] It would be inaccurate to say that the theory of *laissez faire* had completely given way by the end of the half century after the Civil War. Nor would it be wholly correct to say that any other theory has yet demonstrated its permanent reliability. Nevertheless the distinctive philosophy upon which later legislation has been built is the theory of public interest. The theory needs definition in some detail, because it forms the philosophy which underlies most of the political developments and much of the legislation of the early twentieth century.

As the men of the eighties and nineties contemplated the vast amounts of wealth created during those decades they saw it concentrated to a great extent in the hands of the few. The few believed that the public good was best cared for in this way, but an increasing majority of the people looked upon the tendency with greater and greater alarm. They complained that the railroads discriminated in favor of the powerful few; that corporations were achieving monopoly; and that the government itself often assisted the process by framing tariff schedules primarily for the interest of the manufacturers. When the reaction against this situation started, it was of course found that the seats of power were already occupied by the adherents of *laissez faire,*—the party committees, the legislatures, the executive offices and the courts. There ensued, therefore, a long struggle for power and for a new theory of government. The land-marks of the controversy were to be found in interstate commerce acts, anti-trust laws, income taxes, bureaus of labor and factory legislation.

The proponent of *laissez faire* would allow the few

[1] Cf. pp. 94–96 above.

to accumulate large fortunes which they might share with the many through benefactions, gifts to education, libraries, and other public enterprises; the adherent of public interest would inquire why the many are poor, and attempt so to change economic conditions as to reduce the number of the poor to a minimum. Instead of framing laws so that wealth and power would get into the hands of a small number of individuals, in the expectation that prosperity would filter down to the many, the advocate of public interest would aim his legislation directly at what he considers the needs of the less powerful classes. He would interfere with the railroads, for example, to compel them to charge uniform rates, prevent corporations from electing public officers by means of large contributions to campaign funds, force industry even at some cost to protect employees through safety devices, and would hold the great forests on the public lands for the direct good of the whole people. The transfer of emphasis from *laissez faire* to public interest was based upon a steady growth in the value placed upon the worth of the individual man, and upon a shift from legislating for the few to legislating directly for the multitude. The change was greater than can be indicated by citing any one law or group of laws. It was "a new intellectual perspective through which we view all moral issues affecting society."[1]

Underlying many of the difficulties in the way of replacing *laissez faire* with a new theory, was the attitude of the courts toward certain parts of the Fourteenth Amendment. It will be remembered that a por-

[1] I have drawn largely at this point upon Dr. W. J. Tucker's article "The Progress of the Social Conscience" in the *Atlantic Monthly*, Sept., 1915, 289–303. The clearest idea of the transition from *laissez faire* to public interest is gained by reading the biography of *M. A. Hanna* by Croly, and La Follette's and Roosevelt's autobiographies.

tion of section one of the Amendment forbids the states to "deprive any person of life, liberty, or property, without due process of law." It will also be remembered that the majority of the Supreme Court in early decisions interpreting the Amendment had expressed the belief that its purpose was the protection of the negro. By 1890, however, the Court had come to hold that the word "person" as used in the first section included corporations, and thus had given the language of the Amendment a greatly widened application. Of 528 decisions given by the Court on the Amendment between 1890 and 1910, only nineteen concerned the negro race, while 289 affected corporations. In the decision of the case Lochner *v.* New York, a state law regulating hours of labor in bakeries was declared to conflict with the Amendment, because the right of the laborer to work as many hours as he pleased was part of the "liberty" which was protected by the Amendment. Laws regulating railroad rates through commissions were held to deprive corporations of property without due process. Until recently changed, the statutes did not allow appeal to the Supreme Court in cases where state courts declared state laws in conflict with the United States Constitution, and the Fourteenth Amendment therefore acted as a protective bulwark in state as well as nation. In brief, then, the legal position of the big industrial organizations was almost impregnable because of the fortuitous circumstance that the words of a part of the Constitution might be held to mean something which probably did not enter the minds of the Congress or the state legislatures which placed the words in the document.

The people of the United States have usually avoided hostile criticism of the Constitution and the decisions of the Supreme Court, and they have reflected this feel-

ing in their acquiescence in the unexpected turn given to the meaning of the Fourteenth Amendment. The members of the Court, however, have frequently expressed disquietude. Dissenting opinions opposing the view which the Court has taken, have been common. Mr. Justice Harlan declared that the scope of the Amendment was being enlarged far beyond its original purpose; Mr. Justice Holmes asserted that the word "liberty" was being "perverted" and that the Constitution was not intended to embody *laissez faire* or any other economic theory.[1]

The most prominent pioneers in replacing the old by the new theory were William J. Bryan, Robert M. LaFollette and Theodore Roosevelt. Bryan's leadership in 1896 has already been mentioned. With courage and sincerity he attempted to solve the social and economic problems of his day, but his youth, his inexperience, his radicalism, and the fact that he did not choose issues that were immediately practicable made it impossible for him to command the confidence of the majority. Unable himself to scale the heights of reform, he nevertheless pointed them out to others. With a voice that has been likened to an organ with a hundred stops, with persistence, energy and good nature he spread far and wide a new conception of social obligation. He insisted that the social and economic discontent of the South and West were real, and that they could not be laughed out of court or frightened into silence.

La Follette's constructive pioneer work was done for the most part in Wisconsin. During the ascendency of the *laissez faire* theory, the state was largely controlled

[1] Usually cases involving the Fourteenth Amendment have also involved other parts of the Constitution. The main reliance, however, in such cases has been the Amendment mentioned.

by the lumber, railroad and other interests, using the Republican party as their political agency; and a small but powerful group controlled the election of state and federal officials, the press and state legislation. Between 1885 and 1891 La Follette, who was himself a Republican, was a representative in the federal House. In the latter year he came into collision with Senator Sawyer, a wealthy lumber merchant who was the leader of the dominant party in the state. For years the state treasurers had been lending the state's money to favored banks without interest. Senator Sawyer had acted as bondsman for the treasurers and was sued by the attorney-general of the state for back interest. LaFollette threw himself into this controversy on the side of the state; and being unable to obtain a hearing through the usual medium of the press, he and his supporters went directly to the people, speaking from town to town before interested audiences; and subsequently the state won.

In the Sawyer controversy were visible all the elements of the later creed and methods of LaFollette. He always remained with the Republican party, preferring to attempt change from within; and he always opposed the interests and found his strength in direct appeals to the people of his state. Out of those years came the "Wisconsin idea,"—a program which included the taxation of railroads and corporations, primaries in which the people could nominate their own candidates for office, the prohibiting of the acceptance of railroad passes by public officials, and the conservation of the forests and water power of the state. The conflict between *laissez faire* and public interest in Wisconsin was long and bitter, but it led to a series of triumphs for LaFollette, who was elected governor in 1900, 1902 and 1904, and chosen to the federal Senate

in 1905. In the meanwhile there was a widespread demand throughout the West for legislation along the lines marked out by Wisconsin.

Party lines are so drawn in the United States that it is difficult for like-minded men of different parties to cooperate in furthering a program. The three pioneers were men whose capacities and personal qualities differed greatly, but in their economic and political philosophy they were nearer to one another than to the rank and file of their own parties. Bryan in 1902 refused to take part in the Democratic campaign in Wisconsin because he favored LaFollette's program, and in 1905 he even aided the latter in his fight for railroad regulation; in 1912 Bryan found Roosevelt leading a revolt in the Republican party on a program to much of which he could give unqualified assent; and of LaFollette, Roosevelt said in the same year: "Thanks to the movement for genuinely democratic popular government which Senator LaFollette led to overwhelming victory in Wisconsin, that state has become literally a laboratory for wise experimental legislation aiming to secure the social and political betterment of the people as a whole."

Roosevelt's own share in the history of the early twentieth century was of such magnitude as to require a more extended account.

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is essential. On La Follette, his own narrative as given in the *Autobiography* is best, but should be read with care as it was written in the heat of partisan controversy. See also F. C. Howe, *Wisconsin an Experiment in Democracy* (1912), friendly to La Follette.

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CHAPTER XX

THEODORE ROOSEVELT

SELDOM, in times of peace, is the personality of a single individual so important as that of Theodore Roosevelt during the early years of the twentieth century. At the time of his accession to the presidency, he lacked a month of being forty-three years old, but the range of his experience in politics had been far beyond his age. In his early twenties, soon after leaving Harvard, he had entered the Assembly of the state of New York. President Harrison had made him Civil Service Commissioner in 1889, and he had been successively President of the Board of Police Commissioners of New York City, Assistant Secretary of the Navy, an important figure in the war with Spain, and Governor of New York. He had been known as a young man of promise—energetic, independent and progressive—and in addition to his political activities he had found time to write books on historical subjects, see something of life on a western ranch and develop a somewhat defective physique into an engine of physical power.

Brimming with energy, nimble of mind, impetuous, sure of himself, quick to strike, a fearless foe, frank, resourceful, audacious, honest, versatile—Roosevelt possessed the qualities which would challenge the admiration of the typical American. One who frequently saw him at work described thus the way in which he prepared a message to be sent to the Senate:

He storms up and down the room, dictating in a loud and oratorical tone, often stopping, recasting a sentence, striking out and filling in, hospitable to every suggestion, not in the least disturbed by interruption, holding on stoutly to his purpose, and producing finally, out of these most unpromising conditions, a clear and logical statement, which he could not improve with solitude and leisure at his command.

The breadth of his interests, the democratic character of his friendships—for he was equally at home with blue-stocking, politician, cowboy and artisan—his complete loyalty to his friends and his disregard of conventionalities gave him a grip upon popular favor that had not been duplicated since the days of Andrew Jackson, unless by Lincoln. The effectiveness of so compelling a personality was in no way diminished by Roosevelt's possession of what a journalist would call "news sense." He was made for publicity; he had an instinct for the dramatic. His speeches were removed from mediocrity by his evident sincerity, his abounding interest in every occasion at which he was called upon to talk and the phrases that were half victories which he coined almost at will. "Mollycoddle," "muckraking," "the square deal," "the big stick" became familiar idioms in the vernacular of politics and the street. The political leadership of Roosevelt rested mainly upon his personal prestige and upon his attributes as a reformer. With unerring prescience he chose those political issues which would make a wide appeal and which could be pressed quickly to a successful conclusion. His complete integrity saved him from mere opportunism; his ruggedly practical commonsense saved him from that combination of high purpose and slight accomplishment which has characterized many other reformers.

No estimate of the deficiencies in Roosevelt's per-

sonality and leadership would be agreed upon at the present time. In some cases—as in the realm of international relations—only the future can decide whether he was a prophet or a chauvinist; in all cases, opinions have differed widely, for Roosevelt could scarcely explore a river, describe a natural phenomenon or urge a political innovation without thereby arousing a controversy in which his friends and his opponents would participate with equal intensity. His identification of himself with his purposes was as complete as that of Andrew Jackson; opposition to his proposals was reckoned as opposition to him as an individual. Like many leaders of the fighting type, he was frequently weak when judging the motives of those who disagreed with him. One of his admirers declared that his greatest political defect was an impatience of any interval between an expressed desire for an act and the accomplishment of the deed itself—an inability to stand through years of defeat for the future success of an ideal. A keener and equally sympathetic critic dubbed him the "sportsman" in politics—honest, hard-hitting, but playing the issue which had an immediate political effect.

At the outset of his administration Roosevelt was apparently an adherent of the prevailing Republican creed—protective tariff, gold standard, imperialism, *laissez faire* and the rest. His first official utterance after becoming President was an indication that he would continue unbroken the policies of his predecessor, and to this end he insisted that the cabinet should remain intact.[1] His foreign policy was aggressive; his interest in the military and naval establishments real

[1] In view of the later activities of President Roosevelt, there is point in the remark of a satirist that Roosevelt did carry out the policies of McKinley—and bury them. *Atlantic Monthly*, CIX, 164.

and constant. Roosevelt was more venturesome than McKinley, and more ready to experiment with new ideas. He took up the duties of his position with an unaffected zest and enthusiasm; he looked upon the presidential office as an exhilarating adventure in national and even international affairs. As time went on, therefore, it became more and more evident that he was prepared to play a big rôle on a great stage. Moreover, few doubts concerning the constitutional powers of the executive position seem ever to have assailed him. Whatever may have been his theory at the outset of his presidency, he came eventually to believe that the executive power was limited only by the specific restrictions and prohibitions appearing in the Constitution, or imposed by Congress in laws which it had constitutional authority to pass. The scope which this theory presented for the exercise of his energetic originality is evident when contrasted with the theory of his predecessors, who had, in times of peace, held to the belief that the executive possessed only the powers specifically designated by the Constitution.

Not until some future time, when the events of the early twentieth century are better understood, will it be possible to judge accurately the value of President Roosevelt's regime in its relation to the control of railroads and corporations. There can be no doubt, however, that one of the most serious problems that faced the American people during that time was the position which the government ought to occupy toward the business interests of the nation. Not only were the railroads and the great corporations the center of the economic life of the people, but their social and political effects were momentous.

Neither the Interstate Commerce Act of 1887 nor the

Sherman Anti-trust law of 1890, it will be remembered, had accomplished what had been expected of them. The Interstate Commerce law had met with grave obstacles in the courts; the Sherman act had been seldom invoked by the federal executive, and in the most prominent case, United States *v.* E. C. Knight Co., the government had failed to obtain the decision it desired. Government regulation seemed like a broken reed.[1] A few cases, however, had indicated the possibility that strength might be discovered in the law. In United States *v.* the Trans-Missouri Freight Association, the Supreme Court had declared that the Anti-trust act applied to railroads and that it forbade agreements among them to maintain rates; two years later, in 1899, the Court pronounced illegal a combination of pipe manufacturers in the Middle West, on the ground that its result was to restrain interstate commerce.

Roosevelt, like Bryan and LaFollette, had been groping his way to an understanding of the importance of the new problem. During his term as Governor of New York he had clashed with the older political leaders when he supported an act looking to the heavier taxation of railway franchises. The first recommendations in his message to Congress on December 3, 1901, concerned the subject of the relation of government and industry. The accumulation of wealth in recent years in the United States, he asserted, had been due to natural causes, and much of the antagonism aroused thereby was without warrant. Nevertheless grave evils had attended the process: overcapitalization was one; untruthful representations concerning the value of the properties in which business asked the public to invest was another. Such evils should be attacked; with extreme care, to be sure, but also with resolution.

[1] Above, p. 257.

Combination and concentration, he thought, should be supervised and, within reasonable limits, controlled. The remedies which the President suggested were simple: in the interest of the public the government should have the right to inspect the workings of organizations engaged in interstate commerce; because of the lack of uniformity in corporation legislation within the states, the federal government should so extend its power as to include supervision of corporations; a Department of Commerce and Industries should be established, whose head should be a cabinet officer; the Interstate Commerce law should be amended; railway rates should be just, and should be the same to all shippers alike, and the government should be the agent to provide a remedy to this end.

The enthusiastic reception accorded the message by the press indicated that one or another of its numerous recommendations met with approval. The effect on Congress, however, of the portion dealing with interstate commerce was represented by a cartoon in the New York *World*. Uncle Sam was there portrayed stowing away for later attention a bundle of manuscript labelled "President's Message 1901. 30,000 words," while he smilingly remarked "When I git time!" But Roosevelt was not content to let the matter drop, and in the following summer he took the unusual step of carrying his message directly to the people. In the New England states first, and later in the West, he declared his creed on the federal regulation of industry. The effectiveness of the campaign was increased by the moderation of the President, by his increasing popularity and by the many telling phrases, with which he enforced his main thesis. The Sherman act looked less like a broken reed when the chief executive of the nation declared: "As far as the

anti-trust laws go they will be enforced . . . and when (a) suit is undertaken it will not be compromised except upon the basis that the Government wins." Here and there objection was raised that the program was not sufficiently definite; now and then a critic hazarded a conjecture that Roosevelt had not consulted the leaders of his party; but in the main he succeeded in obtaining a sympathetic hearing. At this juncture the coal strike of 1902 gave him one of those fortunate opportunities which were commonly referred to as a part of "Roosevelt's luck." With no uncertain hand he seized the opportunity which chance presented.

Before 1899, there had been no organization of the anthracite miners with sufficient strength to force any changes in the conditions under which the men performed their work. During that year the United Mine Workers of America began to send organizers into the Pennsylvania region. In 1900 the men struck, but an agreement was reached with the operators and work was resumed. The settlement, however, was not satisfactory to either side, and in 1902 the workers asked for a conference. The presidents of the coal companies and the coal-carrying railroads replied that they were always ready to meet their own employees but would have no dealings with a general labor organization. Smaller causes of unrest were the demand for more pay, shorter hours, and payment for coal by weight instead of by the car, but the fundamental issue was the recognition of the union—the workmen insisting on collective bargaining, the operators refusing it. The men were helpless except as a union; the roads were sure of keeping the upper hand if they dealt with the men individually or in small groups. When attempts at conference failed, the miners struck and from May 12 until October 23 nearly 147,000 of them remained

idle. The total loss to miners and operators was nearly $100,000,000.

Since the Pennsylvania fields were almost the sole source of supply for anthracite coal, discomfort was soon felt in the North and West, and as the cooler weather came on, suffering became acute and public feeling bordered on panic. A winter without hard coal could hardly be contemplated without grave misgivings. Popular opinion, meanwhile, went increasingly to the side of the miners. The refusal of the operators to confer, and the propriety of the conduct of the workmen made a wide impression that was favorable to the union. Moreover, George F. Baer, President of the Philadelphia and Reading Company, spoke of himself and his associates in a letter to a correspondent as those "Christian men to whom God in His infinite wisdom has given the control of the property interests of the country." The remark was widely quoted and generally looked upon as evidence of a selfish and uncompromising individualism.[1] The strike having now become a matter of national importance, President Roosevelt requested the operators and representatives of the miners to meet him in Washington, October 3. At this conference the spokesman of the railroads refused mediation, while the leader of the United Mine Workers, John Mitchell, proposed arbitration and pledged the workers to accept it.

After the refusal of the operators to accept the President's conciliatory offer, he decided to apply pressure. He obtained the consent of Grover Cleveland to act as chairman of a commission of investigation and determined to seize the mines by military force, if

[1] It was later denied that Baer made the statement, but a photographic copy of the letter was printed in Lloyd, *Henry D. Lloyd*, II, 190. See also Mitchell, *Organized Labor*, 384; Peck, *Twenty Years*, 693–6.

necessary, operate them as a receiver and await the report of his commission. In some way, which can not now be indicated with certainty, the operators were influenced to accept mediation, and the President appointed a commission with Judge George Gray as chairman.[1] The miners immediately returned to work, coal began again to flow to the North, and public rejoicing was extreme. The President's Commission at once repaired to Pennsylvania, heard 558 witnesses, visited the mines, and inspected machinery and the homes of the miners. It concluded that neither side was completely in the right, and therefore made an award that satisfied some of the complaints of both parties. In the history of the relation between the federal government and the business interests of the nation, the anthracite strike of 1902 is of marked significance. The operators had given evidence of a failure to understand that their business so concerned the nation that the interest of the public in it must be heeded. The successful outcome enhanced the prestige of the government and of the President, and an example of the need of greater control over corporations received wide publicity at the precise moment when the general subject was uppermost in the popular mind.

The first legislative evidence of the result of the agitation for the more effective regulation of industry was an act approved on February 11, 1903, by which any suit brought in a Circuit Court by the United States government under the Sherman Anti-trust act or the Interstate Commerce law, could be given precedence over other cases at the desire of the Attorney-General. Three days later a law was passed which

[1] Rumor says that Roosevelt sent Elihu Root to the eminent financial magnate, J. P. Morgan, with information of his intent to appoint the Cleveland Commission, and that Morgan applied the pressure to the coal operators.

established a Department of Commerce and Labor, whose chief was to be a cabinet officer. Included in the Department was a Bureau of Corporations headed by a Commissioner, who was authorized to investigate the organization and conduct of the business of corporations. Within another five days the Elkins Act had been passed—a law designed to eliminate rebating. Despite the Interstate Commerce act, the practice of rebating had continued. Agreement was general that railroad men who, in other respects, were perfectly scrupulous, commonly violated the law in order to get business in competition with their rivals. Among the railroad men who had violated the law but who deprecated the necessity of so doing, was Paul Morton, president of the Santa Fé system. Morton volunteered to assist Roosevelt in stamping out the evil, and the Elkins law was designed to aid in this process. It forbade any variation from published rates, made both a corporation and its agents punishable for offenses against the law, prohibited the receiving of rebates as well as giving them, and made the penalty for failure to observe the provisions of the Act a fine of one thousand to twenty thousand dollars. Furthermore, during February, 1903, Congress appropriated $500,000 to be expended under the direction of the Attorney-General for the better enforcement of the anti-trust and interstate commerce laws.

In 1903, likewise, was initiated an important judicial proceeding in the direction of the enforcement of the Sherman law. The Great Northern Railway Company and the Northern Pacific Railway Company operated parallel competing lines of road extending from the region of Lake Superior to the Pacific Coast. An attempted consolidation of the two had been declared illegal under the statutes of the state of Minnesota.

On November 13, 1901, under the leadership of two of the foremost railway magnates of the nation, J. J. Hill and J. P. Morgan, there had been organized the Northern Securities Company, to purchase and control at least a majority of the shares of the capital stock of the two lines of railway. In this way the two roads would be operated as one, their earnings pooled, competition between the two eliminated and a virtual consolidation effected. On the advice of the Attorney-General, Philander C. Knox, President Roosevelt directed that proceedings be instituted against the holding company—an act that seemed almost useless in view of the decision of the Supreme Court in the Knight Case. But the decision in the Northern Securities Case, handed down in 1904, was a surprise. By a vote of five to four the Court declared the company a combination in restraint of trade, and therefore illegal under the Sherman act, and enjoined any attempt on its part to control the affairs of either of the two railways.

Nineteen hundred and four, the year of the presidential election, found Roosevelt in a strong position. His success in handling the coal strike and his energetic preparations for the crusade against trust evils had struck a responsive chord in the popular mind. Late in 1903 he had announced to Congress that frauds had been discovered in the post office and land office, and urged the appropriation of funds for the prosecution of the offenders. The result was a house-cleaning which involved the conviction of many officials, including two United States senators. Roosevelt's popularity became greater than ever.

It was to be expected, however, that some opposition would appear to the nomination of Roosevelt for a con-

tinuation of his term of office, and it was around the forceful Mark Hanna that the opposition began gradually to center. Hanna had attained remarkable influence as a senator, was highly trusted by the business interests and was popular among southern Republicans. But his death in February, 1904, effectively ended any opposition to Roosevelt, since it was then too late to focus attention upon any other competitor.

The Republican nominating convention, therefore, which met in Chicago on June 21, lacked any semblance of a contest, and the President was renominated without opposition. The platform was of the traditional sort. The history of the party was approved; its achievements in giving prosperity to the country and peaceful government to the island possessions were recounted; the protective tariff, the gold standard, an isthmian canal, the improvement of the army and navy, the continuation of civil service reform and a vigorous foreign policy,—on all these the party utterance was that of other days. Surprisingly little was said upon the subject of the regulation of corporations. The few steps already taken were approved, but as to the future, the platform was almost colorless:

> Combinations of capital and of labor are the results of the economic movement of the age, but neither must be permitted to infringe upon the rights and interests of the people. Such combinations, when lawfully formed for lawful purposes, are alike entitled to the protection of the laws, but both are subject to the laws, and neither can be permitted to break them.

The Democratic convention met in St. Louis on July 6, and the excitement which marked its proceedings compensated for the lack of interest at the Republican meeting. As drawn up by a sub-committee of the Committee on Resolutions, the platform was, in many of

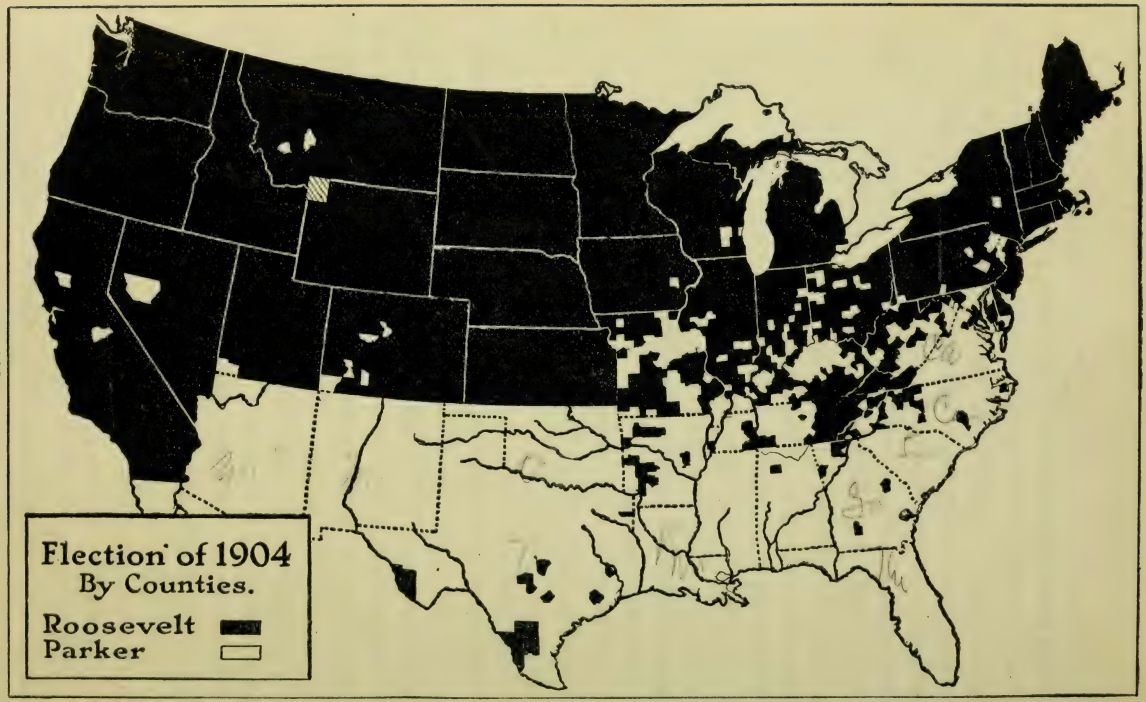
its planks, a distinct return to the programs of the days before 1896. It urged a reduction of the tariff, generous pensions and civil service reform, together with the enforcement of the anti-trust laws and the popular election of senators. In the main, it was devoted to a condemnation of the existing Republican administration, which it denounced as "spasmodic, erratic, sensational, spectacular and arbitrary." It also contained a paragraph declaring that the question of the money standard had ceased to be an issue, on the ground that recent discoveries of gold had enormously increased the supply of currency in the country. Bryan did not approve. With characteristic energy he threw himself into an all-night fight in the Committee in behalf of a silver plank. His defeat indicated that the convention was in the hands of his opponents and the platform as adopted contained no reference to the currency.

The delegates had, in fact, come to the meeting with the distinct purpose of returning to the "safe and sane" democracy of Grover Cleveland. To that end, the platform was to drop the silver issue and Bryan was to be replaced by a more conservative leader. The radical forces centered their strength upon William R. Hearst, but they were in a distinct minority, and in the end, the Cleveland wing succeeded in nominating Judge Alton B. Parker of New York. As soon as he was notified of his nomination, Judge Parker telegraphed to the convention that he regarded the gold standard as irrevocably established and that he must decline to be the party candidate if his attitude on the currency was unsatisfactory to the delegates. Thereupon the convention replied that the platform was silent on the question of a monetary standard because it was not regarded as a campaign issue. Parker was satisfied

with the reply, and the last word was written upon a question that had disturbed politics for many years.

The succeeding campaign was unusually listless. Parker did not inspire enthusiasm, although a man of undoubted integrity and ability, and the personality of Roosevelt was the controlling force. Only at the close of the canvass did a passing interest appear in some charges made by Parker. He called attention to the fact that Secretary Cortelyou of the Department of Commerce and Labor had been charged with the duty of examining the acts of corporations and had then resigned to become chairman of the National Republican Committee. Parker insinuated that Cortelyou was using information about corporate misdoing, which he had discovered, in order to force large contributions from the business interests. He also declared that the Republican campaign was being financed by the corporations. Roosevelt did not answer the charges until three days before the election, and then he asserted that the statements made by Parker were "unqualifiedly and atrociously false." Later investigations have shown that in general Parker was correct in his complaint as to the activities of the corporations, although he would have found difficulty in proving his charges in detail. The same investigations, however, indicated that some of the Democratic campaign fund had come from similar sources.

The election resulted in the choice of President Roosevelt, whose popular vote was 7,600,000 to Parker's 5,000,000. In the more populous sections of the country, which were normally Republican, the party vote scarcely exceeded that of 1900, but in the Far West, the increases were notable. Beyond the Mississippi River, except in the southern states, hardly a county gave a majority for Parker, showing that the



Note: Arizona, New Mexico and Oklahoma, being territories, had no vote.

region which had gone to Bryan in 1896 was substantially solid for Roosevelt. Indeed, the policies to which Roosevelt was committed bore a greater resemblance to the principles of Bryan than to the *laissez faire* philosophy to which many important Republican leaders adhered. Despite their dissent, however, his victory in the election was so overwhelming that he could carry out his program with the irresistible pressure of public opinion behind him.

During the campaign year, the Commissioner of Corporations was busy investigating the activities of the so-called "beef-trust," and a suit against the combination was pressed to a successful conclusion in January, 1905. In its decision in the case (Swift & Company *v.* United States), the Supreme Court dwelt at some length on the charges made against the Company. A dominant proportion—six-tenths—of the dealers in fresh meat in the United States were alleged to have agreed not to bid against one another in the live-stock markets; to restrict the output of meat in order to raise prices; to keep a black-list; and to get illegal rates from the railroads to the exclusion of competitors. To the objection of the members of the trust that the charges against them were general and did not set forth any specific facts, the Court retorted that the scheme alleged was so vast as to present a new problem in pleading. The decision was against the combination, which was ordered to dissolve. The publicity given to the case and to the methods of the meat packers assisted in the passage of legislation requiring government inspection of meats.

An unexpected phase of the Sherman act appeared in 1908, in the case Loewe *v.* Lawlor. The American Federation of Labor, acting through its official organ,

had declared a boycott against D. E. Loewe, a hat manufacturer of Danbury, Connecticut. The Court decided that a combination of labor organizations designed to boycott a dealer's goods was a combination in restraint of trade and that the manufacturer might maintain an action against the Hatters' Union for damages.[1]

In the meantime, another prominent trust had played into the hands of the administration. The American Sugar Refining Company imported large amounts of raw sugar, on which it paid tariff duties. In November, 1907, it was discovered that the Company had tampered with the scales on which the incoming sugar was weighed, in such a manner as to defraud the government. In the resulting legal actions, over $4,000,000 were recovered from the Company, criminal prosecutions were carried on against the officials and employees, and several of them were convicted. The close relation between the railroads and the great corporations was indicated when the Standard Oil Company of Indiana was brought into court on the charge of receiving rebates on petroleum shipped over the Chicago and Alton Railroad. The decision by Judge K. M. Landis was that the Company was guilty on 1,462 separate counts and must pay a fine of $29,240,000. On appeal to a higher court the case was dismissed, partly on a question concerning the meaning of the law.

The efforts of Roosevelt in the direction of control of the railroads resembled his activities in relation to industrial combinations. A variety of circumstances had combined to arouse a popular demand for the rein-

[1] In 1917, fourteen years after Loewe's first suit, he recovered damages from the Union.

forcement of existing legislation: the discovery of grave abuses in connection with the transportation of petroleum; the continuance of favoritism and rebating, together with increasing public knowledge of their existence; the rise in freight rates; and the consolidation of the railroads into a few large systems, with the accompanying concentration of power in the hands of a small number of persons. In his public speeches and in his messages to Congress in 1904 and 1905, President Roosevelt made himself the spokesman of the popular will. In particular—and it was here that the conflict was destined to rage—the President called for the transfer to the Interstate Commerce Commission of the power to determine the rates which the roads should be allowed to charge. The project was not a new one, having already taken shape in previous years, but at no time was Congress prepared to pass definite legislation. The reaction of the railroads to the rising demand was energetic. A costly propaganda was entered upon designed to prove to the public that the roads should be let alone. A powerful lobby worked insistently upon Congress, first to prevent action and later, when action was seen to be inevitable, to weaken the legislation wherever possible. The railroad's campaign of popular education, however, helped to convince the popular mind that new laws were needed, and came coincidently with the disclosures of corporate mismanagement and wrong-doing. The outcome was the Hepburn Act of June 29, 1906.

Its major provisions were five in number. It enlarged the scope of the Interstate Commerce Act so as to include control of express and sleeping car companies, pipe lines, switches, spur tracks and terminals. Free passes, which had hitherto been productive of much favoritism and the source of political corruption,

were strictly forbidden, except to a few specified classes. The "commodity clause" forbade railroads to carry goods, other than timber, in which they had an interest, except such as they were going to use themselves. This provision was designed mainly to check the activities of those companies which owned both coal mines and railroads, and which used their advantageous position to crush independent operators. Its force, however, was largely nullified by subsequent decisions of the courts. The Hepburn law also enabled the Commission to prescribe the methods of book-keeping which the roads must follow, to call for monthly or special reports and to employ examiners who should have access to the books of the carriers. The roads were even denied the right to keep any records except those approved by the Commission. These drastic features of the law were due in part to the practices of certain roads which hid away corrupt expenditures in their accounts in such a manner that detection was almost impossible. Most important, however, among the provisions of the Act was that in relation to rate-making, which not only empowered the Commission to hear complaints that rates were unjust or unreasonable, but even enabled it to determine what would be a just and reasonable charge in the case, and to order the carriers complained of to adhere to the new rate. The rate-making section of the Hepburn Act immediately resulted in a large increase in the number of complaints entered by shippers against the carriers. Previously, few cases had been taken to the Commission—only 878 in eighteen years—because relief was seldom obtained and then only at great cost in time and money. Under the new law more than 1500 cases were entered within two and a half years, and several thousand others were informally settled out of court.

The example of the federal government in adopting restrictive railway legislation was followed by the states, on a nation-wide scale. Hours of labor were regulated, liability for accidents defined, railroad commissions given larger powers, and freight and passenger rates determined. The result was a tangle of local regulations, many of which were designed to embarrass the roads and others of which were passed with slight knowledge of the practical questions involved.

Aside from his connection with the anti-trust campaign and the movement for railroad regulation, Roosevelt's most significant activities during his second administration related to conservation. As early as 1880 the Superintendent of the Census had called attention to the exhaustion of the best public lands. The truth of his assertion had been exemplified in the rush of settlers to Oklahoma when the former Indian Territory was opened to settlement on April 22, 1889. At noon on that day the blast of a cavalry bugle was the signal that any settler might enter and stake out his claim. On foot, on fleet horses, in primitive wagons, an excited, jostling mob rushed toward those lands that seemed most desirable. Trains were crowded to the roofs; tools, furniture, and portable houses were carried in from Texas, Nebraska and Kansas. By nightfall a stretch of waving prairie became Guthrie, with a population of 10,000 persons; by the evening of the first day Oklahoma possessed a population of 50,000; twenty years later it had over a million and a half, contained flourishing cities, many public enterprises, and a beautiful state university.

The fact that desirable land was becoming so rare called attention to the waste and dishonesty in connection with our public land system. In his annual report

for 1884 the Secretary of the Interior had complained that large amounts of land had been acquired under fictitious names or by persons employed for the purpose. Their holdings were then passed over to speculators who retained huge areas for a rising market. Railroads had kept lands granted to them, without fulfilling the conditions of the grants. Titled Englishmen and English land companies had gained control of tracts of unbelievable size, one of them being estimated at 3,000,000 acres. The history of the disposal of the public land had almost been duplicated in the history of the forest-bearing public domain, except that measures had earlier been taken to conserve the remnant of the once magnificent supply of standing timber. An act of 1891 had enabled the president to set apart as public reservations any lands bearing forests. All the presidents, from Harrison down, had availed themselves of their power, and had established great numbers of reservations, most of them in states west of the Mississippi.[1]

A few far-sighted individuals had long urged caution in the disposal of the public resources. Some beginnings in fact had already been made in the Division of Forestry in the Department of Agriculture, where Gifford Pinchot was actively interested in forest preservation. In 1901 and later his functions had been expanded, and the forestry service had taken up protection against fire, the sale of timber, and reforestation. In 1907 President Roosevelt appointed a commission to study the inland waterways, which after careful investigation recommended a convention for the discussion of conservation problems. Thereupon the President invited the governors of the states to Washington

[1] In 1918, 151 national forests aggregated 176,000,000 acres. Secretary of the Interior, *Annual Report*, 1918, 61.

for a conference, at which conservation questions were thoroughly discussed. The resulting recommendations composed a complete, although general plan of reform: the natural resources of the country to be used for the prosperity of the American people; reclamation of arid lands; conservation of forests, minerals and water-power; the protection of the sources of the rivers; and cooperation between Congress and the states in developing a conservation program. A National Conservation Commission was later appointed which coordinated the work of organizing the movement, and made an exhaustive inventory of the nation's natural resources.

The conservation movement also called attention to the possibilities of the arid region between the western parts of Kansas, Nebraska and the Dakotas, and the eastern border of California. Within this vast area were large tracts of land that would be fertile if sufficiently supplied with water. The most important legislation in a series of acts designed to meet this need was the Reclamation Act of 1902. Under its provisions the federal government set aside the proceeds of the sale of public land in sixteen states and territories as a fund for irrigation work. With the resources thus obtained, water powers were developed, reservoirs built and large tracts supplied with water. Private companies and western states also carried out numerous projects. The Department of Agriculture after its establishment in 1889 also conducted many undertakings which, in effect, were conservation enterprises. It helped educate the American farmer in scientific methods, sought new crops in every corner of the globe, discovered and circulated means of combating diseases and insects, studied soils, distributed seeds and gathered statistics. In the arid and semi-

arid regions the discovery of dry farming was of great value. This consists of planting the seed deep and keeping a mulch of dust on the surface by frequent cultivation, in order to retard the evaporation of the moisture in the ground underneath.[1]

Nothing can be more apparent than the complete change of position which was brought about during the eight years after the death of President McKinley. At the end of that period, both the industrial corporations and the railways were on the defensive, and the public had secured the whip hand. Industry, especially the railroads, was tamed and hobbled—some thought, crippled. Many factors contributed to the revolution. President Roosevelt was its most active agent, to be sure,—its "gigantic advertiser" and popularizer. But it could hardly have taken place—at least at the time and in the way it did—without the great upheaval of 1896, without the publicity which the "muck-rake" magazines and daily newspapers were able to offer, without the industrial consolidations of 1898 and later, and without the refusal of industry and the railways to obey earlier and less drastic laws, and their skilled and insistent attempts to find loop-holes in legislation.

From the standpoint of politics, the effect of the Roosevelt administrations was notable. As has been seen, the Republican party had become largely the party of the business and commercial classes, conservative and unyielding to the new demands of the late nineteenth century. Its leadership had been sharply chal-

[1] The territory of Alaska contains immense stores of natural resources which are being conserved with more wisdom than characterized the disposal of our continental supplies. The area of the territory, 586,400 square miles, constitutes a kingdom. It has uncounted wealth in fish, furs, timber, coal and precious metals. At present the federal government is building a railroad which will tap some of the resources of the region. *Enc. Brit.*, "Alaska."

lenged by the forces of unrest in 1896. On an issue other than a monetary one, the success of Bryan would have been possible. The failure of the attempt to get control of the federal government in the interest of the Populist program was only a temporary defeat, for the revival of unrest, although checked by the war with Spain, was sure soon to reappear. In President Roosevelt, the forces of discontent, especially in the Middle and Far West, saw their hoped-for champion, and their support of him was instant and complete. The dominant leadership and much of the rank and file of the Republican party had become liberal. The situation was anomalous, however, for no great political party can experience a thorough-going change of philosophy in a few years. Only the future, therefore, could tell whether the newer and more liberal element would continue to control the party, or whether a reaction against its leadership would take place.

BIBLIOGRAPHICAL NOTE

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CHAPTER XXI

POLITICS, 1908–1912

BY 1908, the year of the presidential election, an influential portion of the Republican members of Congress, particularly in the Senate, were bitterly opposed to President Roosevelt. His attitude on the trusts and the railroads was offensive to many, and on several occasions he had gained the upper hand over Congress by means which were coming to be known as "big-stick" methods. The so-called "constructive recess" of 1903 was an example.

Under the provisions of the Constitution, the president appoints many officials with the advice and consent of the Senate, when it is in session, and fills vacancies that happen during a recess by granting commissions which expire at the end of the next session. On December 2, 1903, at noon, one session of Congress came to an end and another began. Precisely at 12 o'clock, according to the official statement, the President issued new commissions to W. D. Crum, a negro, to be collector of the port of Charleston, and also to 168 army officers, of whom the President's close friend Brigadier-General Leonard Wood was one. General Wood was to be promoted to a major-generalship and the remaining promotions were dependent upon his advance. The President's theory was that a "constructive recess" intervened between the two sessions, durwhich he could make recess appointments. Although the Senate was hostile to both Crum and Wood, it

reluctantly succumbed to Roosevelt's wishes rather than withhold promotion from the 167 officers to whom it had no objection.

In 1908, Senator Tillman, an outspoken Democratic critic of the President, declared that senators vigorously denounced Roosevelt's radical ideas in private but that in public they opposed merely by inaction. Party loyalty was sufficient to keep these Republicans, in most cases, from open and continued rebellion. Hardly less hostile to the President were many of the business men of the country, who objected to his economic policies, but the only alternative to Roosevelt was Bryan, who, as one of the earliest proponents of radical legislation, was even more offensive. On the other hand, a large majority of the rank and file of the party, especially in the North and West, upheld the President with unfeigned enthusiasm and made his position in the party so strong that he could practically name his successor. Several candidates had more or less local support for the nomination—Senator Knox, of Pennsylvania, Governor Hughes, of New York, Speaker Cannon, of Illinois, Vice-President Fairbanks, of Indiana, Senator LaFollette, of Wisconsin and Senator Foraker, of Ohio. The President's prestige and energy, however, were frankly behind the candidacy of his Secretary of War, William H. Taft.

The Republican convention of 1908 met in Chicago on June 16. Early in the proceedings the mention of Roosevelt's name brought an outburst of enthusiasm which indicated the possibility that he might be nominated for a third term, despite his expressed refusal to allow such a move to be made. In the platform the achievements of the retiring administration were recounted in glowing terms; tariff reform was promised; and a postal savings bank, the strengthening of the

Interstate Commerce law and the Sherman Anti-trust act, the more accurate definition of the rules of procedure in the issuance of injunctions, good roads, conservation, pensions and the encouragement of shipping, received the stamp of party approval. Planks pledging the party to legislation requiring the publicity of campaign expenditures, the valuation of the physical property of railroads and the popular election of senators were uniformly rejected. The closing paragraph declared that the "trend of Democracy is toward Socialism, while the Republican party stands for wise and regulated individualism." The contest over the nomination was extremely brief, as Taft received 702 out of 979 votes on the first ballot. James S. Sherman of New York was nominated for the vice-presidency.

The Democrats, meanwhile, were in a quandary. A considerable fraction of the party desired the nomination of somebody other than Bryan, whose defeats in 1896 and 1900 had cast doubts upon the wisdom of a third trial. Nevertheless the failure of Parker in 1904 had been so overwhelming that the nomination of a conservative seemed undesirable and, moreover, no candidate appeared whose achievements or promise could overcome the prestige of Bryan. The national convention was held in Denver, July 7–10, and Bryan dominated all its activities. The platform welcomed the Republican promise to reform the tariff, but doubted its sincerity; promised changes in the Interstate Commerce law, a more elastic currency, improvements in the law of injunctions, generous pensions, good roads and the conservation of the national resources. In the main, however, the platform was an emphatic condemnation of the Republican party as the party of "privileges and private monopoly." It declared that the Republican speaker of the House of

Representatives exercised such absolute domination as to stop the enactment of measures desired by the majority. It demanded the termination of the "partnership which has existed between corporations of the country and the Republican party," by which the business interests contributed great sums of money in elections in return for an unmolested opportunity to "encroach upon the rights of the people." It promised the enactment of laws preventing corporation contributions to campaign funds and providing for the publication before election of all contributions by individuals. Detailed and definite planks in relation to trusts indicated that the framers of the platform possessed at least the courage of their convictions. Three laws were promised: one preventing the duplication of directors among competing corporations; another establishing a license system which would place under federal authority those corporations engaged in interstate commerce which controlled as much as twenty-five per cent. of the product in which they dealt, and which should likewise protect the public from watered stock and prohibit any single corporation from controlling over fifty per cent. of the total amount of any commodity consumed in the United States; and, third, a law forcing corporations to sell to purchasers in all sections of the country on the same terms, after making due allowance for transportation costs.

As soon as the platform was out of the way, the convention turned to the nomination of the candidate. Only George Gray, of Delaware, and John A. Johnson, of Minnesota, contested the leadership of Bryan, but their support was so slight that he was chosen on the first ballot. John W. Kern, of Indiana, was nominated for the vice-presidency.

Of the smaller parties which shared in the election of

1908, the People's party and the Socialists should be mentioned. The Populists adopted a program of economic reforms many parts of which had been prominent in their platforms of 1892 and 1896. Both the Republicans and the Democrats, however, had adopted so many of these earlier demands that the Populists rapidly lost strength and disappeared after 1908. The Socialists likewise advocated economic reforms, together with government ownership of the railroads, and of such industries as were organized on a national scale. The candidate nominated was Eugene V. Debs, a labor leader who had gained prominence at the time of the Pullman strike.[1]

The only novelty in the campaign was Bryan's stand in regard to campaign funds. By calling upon his supporters for large numbers of small individual contributions, he drew attention to the fact that the corporations were helping generously to meet Taft's election expenses. At their leader's direction the Democratic committee announced that it would receive no contributions whatever from corporations, that it would accept no offering over $10,000 and that it would publish a list of contributors before the close of the campaign.

The result of the election was the triumph of Taft and his party. The Republican popular vote was 7,700,000; the Democratic, 6,500,000; the Socialist, 420,890. The election also gave the Republicans control of Congress, which was to be constituted as follows during 1909–1911: Senate, Democrats, 32, Republicans, 61; House of Representatives, Democrats, 172, Republicans, 219.

Few men in our history have had a wider judicial and administrative experience before coming to the presidency than that of William H. Taft. He was born

[1] Above, p. 322.

in 1857 in Ohio, graduated from Yale University with high rank in the class of 1878 and later entered upon the study of law. A judicial temperament early manifested itself and Taft became successively judge of the Superior Court in Cincinnati and of a United States Circuit Court. From the latter post he was called to serve upon the Philippine Commission, was later Governor of the Philippines and Secretary of War in Roosevelt's cabinet. During the period of his connection with the Philippines and his membership in the Cabinet he visited Cuba, Panama, Porto Rico, Japan and the Papal Court at Rome in connection with matters of federal importance.

Personally Taft is kindly, unaffected, democratic, full of good humor, courageous. As a public officer he was slow and judicial, rather than quick and executive like his predecessor. Although in sympathy with the reforms instituted by Roosevelt, Taft was less the reformer and more conscious of considerations of constitutionality. Roosevelt thought of the domain of the executive as including all acts not *specifically forbidden* by the Constitution or by the laws of the nation; Taft thought of it as including only those which were *specifically granted* by the Constitution and laws. The one was voluble, a dynamo of energy, quick to seize and act upon any innovation that gave promise of being both useful and successful; the other thought and acted more slowly and was less sensitive to the feasibility of change. One possessed well-nigh all the attributes necessary for intense popularity; the other inspired admiration among a smaller group. Roosevelt had a peculiarly keen perception of the currents of public opinion, enjoyed publicity and knew how to achieve it; Taft was less quick at discovering the popular thing and less adept at those tricks of the trade

that heightened the popularity of his predecessor.

Despite the patent differences of temperament and philosophy between Taft and Roosevelt, both expected that the new administration would be an extension of the old one. Roosevelt indicated this in his frank preference for Taft as his successor; Taft indicated it in his thorough acceptance of the policies of the preceding seven years and in his intention, expressed at the time of his inauguration, to maintain and further the reforms already initiated. His first act, however, the appointment of his official advisors, caused some surprise among the friends of his predecessor who expected that he would retain most if not all of the Roosevelt cabinet. When he did not do so, it seemed as if the attempt to further the Roosevelt policies would lack continuity.[1]

The immediate problem that faced the new executive was the revision of the tariff. The task was one which has frequently resulted in political disaster, but the platform left no choice to the President:

> The Republican party declares unequivocally for a revision of the tariff by a special session of Congress immediately following the inauguration of the next President. . . . In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

The precise meaning of this declaration will perhaps always remain a matter of dispute, although it is cer-

[1] The cabinet was composed of: P. C. Knox, Pa., Secretary of State; F. Mac Veagh, Ill., Secretary of the Treasury; J. M. Dickinson, Tenn., Secretary of War; G. W. Wickersham, N. Y., Attorney-General; F. H. Hitchcock, Mass., Postmaster-General; G. vL. Meyer, Mass., Secretary of the Navy; R. A. Ballinger, Wash., Secretary of the Interior; J. Wilson, Ia., Secretary of Agriculture; C. Nagel, Mo., Secretary of Commerce and Labor. Meyer and Wilson had been in Roosevelt's cabinet.

tain that the public in general understood it to mean a distinct lowering of the tariff wall, and Taft committed himself to downward revision in his inaugural address. Moreover, whether it was intended by the framers to commit the party to downward revision or not, the method of defining the amount of protection to be granted was both novel and unsatisfactory, as Professor Taussig has pointed out. How could the costs of production at home or abroad be determined? To what extent would the principle announced in the platform be carried? Almost any commodity can be produced almost anywhere if the producer is guaranteed the cost of production, together with a reasonable profit. The wise revision of the tariff is difficult enough under any circumstances; under so vague a theory as was proposed in 1908, the chances of success became remote.

The drafting of the tariff bill proceeded in the usual manner. The Ways and Means Committee of the House, the chairman of which was Sereno Payne, held preliminary public "hearings," which were open to any who desired to offer testimony or make requests. Naturally, however, the great body of the consuming public was little represented; most of those who appeared were manufacturers, importers and other interested parties. The bill drawn up by the Committee and passed by the House revised existing duties, on the whole, in the downward direction. The Senate Finance Committee, however, under the leadership of Nelson W. Aldrich, an experienced and able proponent of a high protective tariff, made 847 amendments, many of them important and generally in the direction of higher rates. The Senate, like the House, contained several Republicans, usually called "insurgents," who were inclined to break away from cer-

tain of the party doctrines. Senators Bristow, Cummins, Dolliver and La Follette were among them. This contingent had hoped for a genuine downward revision, and when they saw that the bill was not in accord with their expectations, they prepared to demand a thorough debate. Each of the insurgents made an especial study of some particular portion of the proposed measure so as to be well prepared to urge reductions. Their efforts were unavailing, however, and the bill passed—the insurgents voting with the great majority of the Democrats in the negative. The bill then went to a conference committee. Up to this point, the President had taken little share in the formation of the bill. Yet as leader of the party he had pledged himself to a downward revision and the result seemed likely not to be in the promised direction. He therefore exerted pressure on the conference committee and succeeded apparently in getting some reductions, chiefly the abolition of the duty on hides. The bill was then passed by both houses and signed by the President on August 5, 1909.

The question whether the Payne-Aldrich act redeemed the pledge embodied in the platform of 1908 will doubtless remain a debatable question. On the one hand, a prominent Republican member of the Committee on Ways and Means and of the Conference Committee, declared that the act represented the greatest reduction that had been made in the tariff at any single time since the first revenue law was signed by George Washington. Roosevelt also defended the act. Experts outside of Congress sharply differed. Professor Taussig analyzed the act in all its aspects and concluded that no essential change had been made in our tariff system. "It still left an extremely high scheme of rates, and still showed

an extremely intolerant attitude on foreign trade." General public opinion was most affected by the fact that duties on cotton goods were raised, and those on woolen goods left at the high rates levied under the Dingley act. It also appeared that many silent influences had been at work—the duty on cheap cotton gloves, for example, being doubled through the efforts of an interested individual who procured the assistance of a New England senator.[1]

Not long after the passage of the act President Taft defended it in a speech at Winona, Minnesota, as the best tariff bill that the Republican party had ever passed. In regard to the woolen schedule he frankly said:

> Mr. Payne in the House, and Mr. Aldrich, in the Senate, although both favored reduction in the schedule, found that in the Republican party the interests of the wool growers of the Far West and the interests of the woolen manufacturers in the East and in other States, reflected through their representatives in Congress, were sufficiently strong to defeat any attempt to change the woolen tariff and that, had it been attempted, it would have beaten the bill reported from either committee. . . . It is the one important defect in the present Payne-tariff.

The response of the press and the insurgent Republicans to the passage of the bill and to the Winona speech were ominous for the future of the party. Although not unanimous, condemnation was common in the West, even in Republican papers. Particular objection was made to the high estimate which the President placed upon the act and to his defence of Senator Aldrich, who had come to be looked upon as the

[1] Other features of the act were the establishment of a Court for the settlement of tariff disputes, provisions for a tariff commission and a tax on corporation incomes.

forefront of the "special interests"; and western state Republican platforms in 1910 declared that the act had not been in accord with the plank of 1908.[1]

Coincidently with the disagreement over the Payne-Aldrich act, there raged the unhappy Pinchot-Ballinger controversy. One of the last acts of President Roosevelt had been to withdraw from sale large tracts of public land which contained valuable water-power. The purpose and the effect of the order was to prevent these natural resources from falling into private hands and particularly into the hands of syndicates or corporations who would develop them mainly for individual interests. President Taft's Secretary of the Interior, Richard A. Ballinger, took the attitude that the withdrawals were without statutory justification and he therefore revoked the order for withdrawals immediately after coming into office. Upon further investigation, however, he re-withdrew a part of the land, although somewhat doubtful of his power to do so.

During the summer of 1909, Gifford Pinchot, the Chief Forester, addressed an irrigation Congress in Spokane and asserted that the water-power sites were being absorbed by a trust. Much interest was aroused by the charge, which was looked upon as an attack on the Secretary of the Interior and his policy. Within a short time the idea became widespread, through the press, that Ballinger was associated with interests which were desirous of seizing the public resources and that this fact lay back of his partial reversal of the

[1] Mr. Dooley, who was well known as a humorous character created by F. P. Dunne, made merry with the claim that the tariff had been reduced, by reading to his friend Mr. Hennessy the "necessities of life" which had been placed on the free-list and which included curling stones, teeth, sea-moss, newspapers, nuts, nux vomica, Pulu, canary bird seed, divy divy and other commodities.

policy of his predecessor. This impression was deepened by the charges of L. R. Glavis, an employee of the Department of the Interior, concerning the claims of a certain Clarence Cunningham, representing a group of investors, to some exceedingly valuable coal lands in Alaska. Glavis asserted that the Cunningham claims were fraudulent, that many of the Cunningham group were personal friends of Ballinger and that the latter had acted as attorney for them before becoming Secretary of the Interior. President Taft, with the backing of an opinion from Attorney-General Wickersham, upheld Ballinger and dismissed Glavis. The press again took the matter up and the controversy was carried into Congress, where an investigation was ordered. About the same time Pinchot was removed for insubordination, and additional heat entered into the disagreement. The majority of the congressional committee of investigation later made a report exonerating Ballinger, but his position had become intolerable and he resigned in March, 1911. The result of the quarrel was to weaken the President, for the idea became common that his administration had been friendly with interests that wished to seize the public lands.

Republican complaint in regard to the tariff and the Pinchot-Ballinger controversy were surface indications of a division in the party into conservative or "old-guard," and progressive or insurgent groups. The same line of demarcation appeared in a quarrel over the power of the Speaker of the House of Representatives, Joseph G. Cannon. Cannon had served in the lower branch of Congress almost continuously for twenty-seven years, and in 1910 was filling the position of speaker for the fourth consecutive time. Much of

his official influence rested on two powers: he appointed the committees of the House and their chairmen, a power which enabled him to punish opponents, reward friends and determine the character of legislation; and he was the chairman and dominant power of the Committee on Rules which determined the procedure under existing practice and made special orders whenever particular circumstances seemed to require them. It was widely believed that Cannon, like Aldrich in the Senate, effectually controlled the passage of legislation, with slender regard to the wishes or needs of the people. "Cannonism" and "Aldrichism" were considered synonymous. For several years an influential part of the Republican and Independent, as well as the Democratic press had attacked Speaker Cannon as the enemy of progressive legislation. Many of them laid much of the blame for the character of the Payne-Aldrich act at his door. *The Outlook* decried "government by oligarchy"; *The Nation* declared that he belonged to another political age; Bryan queried what Cannon was selling and how much he got; Gompers, the head of the American Federation of Labor, pointed him out as the enemy of all reforms.

The outcry against the Speaker in the House itself, reinforced by the gathering opposition outside, found effective voice in a coalition of the Democrats and the insurgent Republicans. In mid-March, 1910, an insurgent presented a resolution designed to replace the old Committee on Rules by a larger body which should be elected by the House, and on which the speaker would have no place. The friends of Cannon rallied to his defence; other business fell into the background; and debate became sharp and personal. One continuous session lasted twenty-six hours, parliamentary

fencing mingling with horse-play while each side attempted to get a tactical advantage over the other.[1] Eventually about forty insurgent Republicans joined with the Democrats to pass the resolution. The result of the change was to compel the speaker to be a presiding officer rather than the determining factor in the passage of legislation. About the time that Cannon's domination in the House was being broken, the announcement that Senator Nelson W. Aldrich and his staunchly conservative associate, Eugene Hale, of Maine, were about to retire indicated a similar change in the Senate. These men had served for long periods in Congress and were looked upon as the ablest and most influential of the "reactionary" element in the upper house.

Coincidently with the partial disintegration of the conservative wing of the Republican party in Congress, there was passed a large volume of legislation of the type desired by the insurgents. The public land laws were improved; acts requiring the use of safety appliances on railroads were strengthened; a Bureau of Mines was established to study the welfare of the miners; a postal savings bank system was erected; and an Economy and Efficiency Commission appointed to examine the several administrative departments so as to discover wasteful methods of doing business. Of

[1] A sample of the jocosity that partially relieved the tension is the following portion of the *Congressional Record* for March 18:

The Speaker *pro tempore:* The House will be in order. Gentlemen will understand the impropriety of singing on the floor, even though the House is not at this moment transacting any business. The House is not in recess.

Chorus. "There'll be a hot time in the old town to-night."

The Speaker *pro tempore.* That was last night, not to-night. (Laughter.) The House will be in order.

Mr. Shackleford. Mr. Speaker, I make the point of order that the tap-tapping of the Chair's gavel interferes with the music. (Laughter.) Cf. Atkinson, *Committee on Rules,* 115.

especial importance was the Mann-Elkins Act of June 18, 1910, which further extended the powers of the Interstate Commerce Commission. Experience had brought out serious defects in the rate-fixing procedure set up by the Hepburn Act. By that law, to be sure, a shipper could complain that the roads were charging him an unreasonable rate and the Commission might, in course of time, uphold him and order relief; but in the meantime the shipper, especially if he were a small one, might be crushed out of existence through the large rates, and the consuming public would have paid increased prices for commodities with no possibility of a remuneration to them, even if the Commission decided that the rates levied were unreasonably high. The Mann-Elkins law, therefore, provided that the Commission might suspend any proposed change in rates for a period not greater than ten months, and decide during that time whether it was reasonable and should go into effect or not. In this way the burden of proving the justice of a suggested change was placed upon the railroads.[1]

An act of June 25, 1910, which was amended a year later, required the publication of the names of persons contributing to the federal campaign funds of the political parties, and the amounts contributed, as well as a detailed account of the expenditures of the committees and the purposes for which the expenses were incurred. President Taft also urged the passage of an income tax amendment to the federal Constitution and indicated that he was in favor of an amendment providing for the popular election of senators. Amendments for both these purposes

[1] A Commerce Court was also provided, so as to expedite the decision of appeals from orders of the Commission. Its career was brief, for Congress was not well-disposed toward the project, and the Court was abolished in 1913.

passed Congress; but they were not ratified and put into effect until 1913.

In June, 1910, Roosevelt returned from Africa whither he had gone for a hunting trip, after the inauguration of President Taft. Both elements in the Republican party were anxious for his sympathy and support. Roosevelt himself seems to have desired to remain outside the arena, at least for a time, but for many reasons permanent separation from politics was impossible. He became a candidate for the position of temporary chairman of the New York Republican State Convention against Vice-President James S. Sherman. The contest in the convention brought out opposition to him on the part of the old-guard, and his triumph left that wing of the party dissatisfied and disunited. During the summer and autumn of 1910 he made extensive political tours. At Ossawatomie, Kansas, he developed the platform of the "New Nationalism," which included more thorough control of corporations, and progressive legislation in regard to income taxes, conservation, the laboring classes, primary elections at which the people could nominate candidates for office, and the recall of elective officials before the close of their terms. He urged such vigorous use of the powers of the federal government that there should be no "neutral ground" between state and nation, to serve as a refuge for law-breakers. Critics pointed out that these proposals had been urged by the insurgents and the followers of Bryan, and there could be no doubt where the sympathies of Roosevelt lay in the factional dispute within the Republican party.

While conditions within the organization were such as were indicated by the hostile criticism of the Payne-Aldrich act, by the Pinchot-Ballinger controversy,

the overturn of Speaker Cannon and the disintegration of the Aldrich-Hale group, the congressional election of 1910 took place. Signs of impending change had already become evident. Insurgent Republicans were carrying the party primaries; and the Democrats, who were plainly confident, emphasized strongly the tariff act, Cannonism and the high cost of living as reasons for the removal of the Republicans. The result was a greater upheaval than even the Democrats had prophesied. In nine states the Republicans were ousted from legislatures that would elect United States senators; the new Senate would contain forty-one Democrats and fifty-one Republicans—too narrow a Republican majority in view of the strength of the insurgents. In the choice of members of the lower branch of Congress there was a still greater revolution; the new House would contain 228 Democrats, 161 Republicans and one Socialist, while Cannon would be retired from the speakership. In eastern as well as western states, Democratic governors were elected in surprising numbers. Maine, Massachusetts, Connecticut, New York, New Jersey, Ohio and Oregon were among them. Of particular importance, as later events showed, was the success in New Jersey of Woodrow Wilson, former president of Princeton University.

Not long after the election of 1910 the President sent to Congress a special message urging the adoption of a reciprocal trade agreement with Canada. The arrangement provided for freedom of trade in many raw materials and food products, and for substantial reductions on some manufactured articles. He believed that the project would benefit both countries economically and improve the already friendly relations existing between them, and he set his heart upon

its adoption. Opposition appeared at once: the farmers' organizations protested vigorously at the reduction of the tariff on agricultural products; the high protectionists were fearful of an entering wedge which might lead to further tariff reductions; and the paper and wood pulp interests also objected. Although the agreement eventually passed both houses of Congress by large majorities, the opposition was composed chiefly of Republicans. Objection to the arrangement in Canada turned out to be stronger than had been anticipated. The fear that commercial reciprocity might make the Dominion somewhat dependent on the United States seems to have caused a manifestation of national pride, and Sir Wilfred Laurier, who had led the forces in favor of the agreement, was driven out of power and reciprocity defeated. The result for the administration was failure and further division in the party.

Democratic control of the House during the second half of Taft's term effectually prevented the passage of any considerable amount of legislation. A parcel-post law, however, was passed, a Children's Bureau was established for the study of the welfare of children, and a Department of Labor provided for, whose secretary was to be a member of the cabinet. Aided by the insurgents, the Democrats attempted a small amount of tariff legislation. Although a general revision of the entire tariff structure would be a long and laborious task, specific schedules could be revised which would indicate what might be expected in case of Democratic success in 1912. The sugar, steel, woolen, chemical and cotton schedules were taken up in accord with this plan and bills were passed which were uniformly vetoed by the President.

In his attitude toward the regulation of big business,

President Taft was in harmony with his predecessor and was in thorough sympathy, therefore, with suits brought under the Sherman law against the Standard Oil Company, and the American Tobacco Company. In May, 1911, the Supreme Court decided that both of these companies had been guilty of combining to restrain and to monopolize trade, and ordered a dissolution of the conspiring elements into separate, competing units. The Court also undertook to answer some of the knotty questions that had arisen in relation to section 1 of the act, which declares illegal "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade." Did the prohibition against every contract or combination mean precisely *every* contract, whether important or not? Or did it refer merely to large and unreasonable restraints? The phraseology of the statute seems to prohibit restraints of all kinds, and the previous decisions of the Court had been in line with this view. When, then, the decisions in these two cases erected the "rule of reason" and declared that only those restraints were forbidden that were unreasonable, the attention of some opponents of the trusts was focussed on the *obiter dictum,* rather than upon the decisions themselves. In taking this position, they had the support of Mr. Justice Harlan who agreed to the decision but condemned the *obiter dictum,* asserted that the exact words of the law forbade *every* contract, and deprecated what he believed to be the amendment of statutes by the courts. The dissolution of the companies into competing units, however, had no apparent effect that was of benefit to the public. In fact, immediate increases in the value of Standard Oil stocks indicated that the decision was of slight consequence.

In the meantime the widening of the breach in the

Republican party was indicated by the formation of the National Progressive Republican League on January 21, 1911. Its most prominent leaders were Senators Bourne, Bristow and La Follette; and leading progressives in different states were invited to join—among them ex-President Roosevelt. It was the hope that if the latter joined the League, the step might help to place him in more open opposition to the Taft administration. The purpose of the organization was the passage of progressive economic and political legislation, especially acts providing for the election of senators by vote of the people, direct primaries for the nomination of elective officers, direct election of delegates to national conventions, the initiative, referendum and recall in the states, and a thorough-going corrupt practices act.

Early in 1912 the factions in the Republican party began to consider the question of a leader for the coming presidential campaign, some of the progressive element looking to La Follette as the natural candidate, and others to Roosevelt when it was seen that he would not support Taft for a renomination. On February 21, Roosevelt addressed a constitutional convention in Columbus, Ohio, and expressed a political creed that closely resembled the program of the National Progressive Republican League. In the meantime the demand for Roosevelt as a candidate had been incessant on the part of numerous Republicans of insurgent sympathies, who realized how many more progressive principles he had accepted than Taft. Finally on February 24 he replied to an appeal from a group of his supporters, including seven state governors, that he would accept a nomination. Thereupon most of the progressives transferred their allegiance from La Follette to the ex-President. Presi-

dent Taft's fighting spirit had become aroused, in the meanwhile, and he had declared that only death would keep him out of the fight.

The call had already been issued for the Republican Nominating Convention to be held in Chicago, in June, and the contest began for the control of the 1,078 delegates who would compose its membership. The supporters of Taft, being in possession of the party machinery, were able to dictate the choice of many of these delegates, especially from the South, by means that had been usual in politics for many years. The friends of Roosevelt, in order to overcome this handicap, began to demand presidential preference primaries, in which the people might make known their wishes, and in which his personal popularity would make him a strong contender. During the pre-convention campaign, twelve states held primaries and the others held the usual party conventions. At first Taft did not actively enter the contest, but the efforts of Roosevelt were so successful and his charges against the President so numerous that he felt compelled to take the stump. The country was then treated to the spectacle of a President and an ex-President touring the country and acrimoniously attacking each other. The progressives, Taft asserted, were "political emotionalists" and "neurotics"; Roosevelt, he complained, had promised not to accept another nomination, had broken his agreement, and had not given a fair account of the policies which the administration had been following. Roosevelt charged Taft with being a reactionary, a friend of the "bosses" and with using the patronage in order to secure a renomination. And he grated on the sensibilities of the nation by referring to his influence in getting Taft elected in 1908 and remarking, "it is a bad trait to bite the

hand that feeds you." The result of the presidential preference primaries in the few states that held them was overwhelmingly in favor of Roosevelt; in the states where conventions chose the delegates, Taft obtained a majority; in the case of over 200 delegates, there were disputes as to whether Taft or Roosevelt men were fairly chosen. These contests, as usual, were decided by the National Republican Committee, with the right of appeal to the Convention itself. The Committee decided nearly all the contests in favor of Taft's friends, and since all the delegates thus chosen would sit in the Convention and vote on one another's cases, the decision seemed likely to be final.

The scene of action then shifted to Chicago where the Convention assembled on June 18. Aroused by the action of the Committee in the contests, Roosevelt went thither to care for his interests[1]. The election of a temporary chairman resulted in the choice of Elihu Root, who was favorable to Taft. The Roosevelt delegates, declaring that the contests had been unfairly decided, enlivened the roll-call by shouts of "robbers," "thieves"; and when Root thanked the Convention for the confidence which it reposed in him, his words were greeted with groans. Upon the failure of an attempt to revise the decision of the National Committee in the cases of the contested delegates, Roosevelt announced that he was "through." One of his supporters read to the Convention a statement from him charging that the Committee, under the direction of Taft, had stolen eighty or ninety delegates, making the gathering no longer in any proper sense a Republican convention. Thereafter most of the

[1] When Roosevelt arrived in Chicago, he remarked that he felt like a "bull moose," an expression which later gave his party its popular name.

Roosevelt delegates refused to share either in the nomination of the candidate or in the adoption of a platform. The choice of Taft as the candidate was then made without difficulty.

The platform contained the usual planks concerning the party's past, the protective tariff and the civil service; and it reflected something of the rising interest in economic and political reforms in its advocacy of laws limiting the hours of labor for women and children, workmen's compensation acts, reforms in legal procedure, a simpler process than impeachment for the removal of judges, additions to the anti-trust law, the revision of the currency system, publicity of campaign contributions and a parcel-post.

As the Republican convention was drawing its labors to a close, the dissatisfied adherents of Roosevelt met and invited him to become the candidate of a new organization. Upon his acceptance, a call was issued for a convention of the Progressive Party, to be held in Chicago on August 5. The discord among the Republicans was viewed with undisguised content by the Democratic leaders, for it seemed likely to open to them the doorway to power. Yet the same difference between liberals and conservatives that had been the outstanding feature of the Republican convention was evident among the Democrats, and nobody could be sure that a schism would not take place.

There was no lack of aspirants for the presidential nomination. J. B. ("Champ") Clark, Speaker of the House of Representatives, Governor Judson Harmon, of Ohio, O. W. Underwood, Chairman of the House Committee on Ways and Means, and Governor Woodrow Wilson, of New Jersey, all had earnest supporters. In contests in the state conventions and primaries, Speaker Clark was most successful, although

not enough delegates were pledged to him to secur the nomination.

The convention met in Baltimore on June 25, and fo the most part centered about the activities of Brya On the third day he presented a resolution declarin the convention opposed to the nomination of any candi date who was under obligations to J. P. Morgan, T. F Ryan, August Belmont, or any of the "privilege-hunt ing and favor-seeking class." An uproar ensued, bu the resolution was overwhelmingly adopted. Ballot ing for the candidate then began. Speaker Clark ha a majority, but was far from having the two-third majority which Democratic conventions require; Gov ernor Wilson was more than a hundred votes behin him. While the fourteenth ballot was being take Bryan created a new sensation by announcing that h should transfer his vote from Clark to Wilson, on th ground that the New York delegates were in the hand of Charles F. Murphy, the leader of Tammany Hal and that Murphy was for the Speaker. The relativ positions of the two leading candidates remained u changed, however, for five ballots more. Then the tid began to turn. At the thirtieth, Governor Wilson le for the first time, and on the forty-sixth Clark's su port broke and Wilson was nominated.

The platform resembled that of 1908. It calle for immediate downward revision of the tariff, th strengthening of the anti-trust laws, presidential pre erence primaries, prohibition of corporation contr butions to campaign funds, a single term for th president and the revision of the banking and cu rency laws.

The organization of the Progressive party, in th meantime, was rapidly proceeding, and on August the national convention was held. It was an unusu

political gathering both in its personnel—for women delegates shared in its deliberations—and in the emotional fervor which dominated its sessions. At the Democratic convention the delegates had awakened the echoes with the familiar song "Hail! Hail! The gang 's all here"; the Progressives expressed their convictions in "Onward, Christian Soldiers." Roosevelt's speech was called his "confession of faith"; his charge that both of the old parties were boss-ridden and privilege-controlled epitomized the prevailing sentiment among his hearers. Without a contest Roosevelt was nominated for the presidency and Hiram Johnson of California for the vice-presidency.

The platform adopted was distinctly a reform document. It advocated such political innovations as direct primaries, the direct election of senators, the initiative, referendum and recall, a more expeditious method of amending the Constitution, women's suffrage, and the limitation of campaign expenditures. A detailed program of social and economic legislation included laws for the prevention of accidents, the prohibition of child labor, a "living wage," the eight-hour day, a Department of Labor, the conservation of the nation's resources, and the development of the agricultural interests. The third portion of the platform dealt with "the unholy alliance between corrupt business and corrupt politics." It declared the test of corporate efficiency to be the ability "to serve the public"; it demanded the "strong national regulation of interstate corporations," a federal industrial commission comparable to the Interstate Commerce Commission and the protection of the people from concerns offering worthless investments under highly colored and specious appearances.

The results of the election indicated how complete the

division in the Republican party had been. In the electoral college Wilson received 435 votes to Roosevelt's 88 and Taft's 8. Yet Wilson's popular vote—6,300,000—fell far short of the combined Roosevelt-Taft vote —7,500,000—and was less than that of Bryan in 1896, 1900, and 1908.[1] The fact that the combined Roosevelt-Taft vote was less than that received by Taft in 1908 seems to indicate that many Republicans refused to vote. The control of Congress, in both houses, went to the Democrats, even such a popular leader as Speaker Cannon failing of reelection. In twenty-one of the thirty-five states where governors were chosen, the Democrats were triumphant. Whether, then, the schism in the Republican party was responsible for the success of the opposition, or whether the electorate was determined upon a change regardless of conditions in the party which had hitherto controlled popular favor, the fact was that the overturn was complete. And circumstances that could not have been foreseen and that affected the entire world were destined to make the political revolution profoundly significant.

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[1] Roosevelt, 4,000,000; Taft, 3,500,000.

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CHAPTER XXII

ECONOMIC AND POLITICAL TENDENCIES SINCE 1896

DURING the four decades between the opening of the Civil War and the close of the nineteenth century, the United States became in many respects an economic unit. The passage of the Interstate Commerce Act in 1887, for instance, was an early recognition of the fact that the transportation problem of the nation transcended state bounds; the Sherman Anti-trust law of 1890 arose from the realization that commercial and industrial unity were rapidly coming to pass; the American Federation of Labor brought workmen from all states and many trades into a single organization. The election of 1896 and the amazing consolidation of business enterprises at the close of the century were further proofs that the day had passed when any section of the United States could live an isolated economic life without relation to other parts of the country. Instead of remaining a federation of diverse economic sections, we became increasingly homogeneous. Much of the economic and political legislation enacted after 1896, and many of the practices and standards which were adopted by leaders in economic and political life were an outgrowth of the new conditions.

It will be remembered that the eighties and early nineties had been years of labor unrest. Costly and bitter strikes on the part of the workmen, and resolute and powerful resistance on the part of the employers

were the commonplaces of the history of labor. The culmination was the Pullman strike of 1894.[1] Its cost in money and suffering was appalling; it placed the federal military power in the hands of the employers; and although it was a failure as far as the strikers were concerned, yet an impartial investigation after the struggle was over established the justice of much of which the men had complained. If discriminating justice were to be measured out to both sides, instead of victory to the side of the strongest battalions, and if intolerable waste and discomfort were to be avoided, some remedies for industrial unrest must be discovered which would replace strikes and violence. Happily, signs were not wanting that such a change was slowly taking place.

A combination of influences tended to place the labor problem on a new footing after 1896. One of the most important of these forces was the American Federation of Labor which greatly increased its size and activities, especially about the opening of the new century, growing from 950,000 members in 1901 to 4,302,148 in April, 1920. Its president, Samuel Gompers, is an able, resourceful leader, who has remained in control from 1882 to the present (1920), with the single exception of the year 1895, so that the organization has had the benefit of experienced leadership and continuity of purpose. Although a radical, socialistic element broke away in 1905 and formed the Industrial Workers of the World, yet the defection was not immediately serious and in general schisms have been avoided. Several other labor organizations, although unconnected with the Federation exerted a strong influence; in particular the brotherhoods of railway employees, by frequent threats to strike and thereby tie up the transportation system,

[1] Above, pp. 320–323.

aided in bringing the demands of labor to public notice.

Moreover, after 1896 and especially after the coal strike of 1902 there was an increasing recognition on the part of the public that a labor problem existed and that it must be solved in some way other than by force of arms. Physicians and scientific experts called attention to the lack of proper care for the health of workmen in dangerous industries; the movement for the preservation of the forests and mineral supplies emphasized the need of efforts for the conservation of human lives; social reformers, economists, writers and educators upheld the needs and rights of the neglected classes; and the press and the muck-rake periodicals found it profitable to expose extreme abuses. Distress that had hitherto been unnoticed or disregarded became important, and remedies were demanded. Change was in the air, and not alone in America, for England and France were experiencing the same problems, and attempting to devise new expedients to solve them. After the beginning of the new century, also, the employing class came to a better realization of the existence of the labor problem and sought solutions in ways that must be mentioned later.[1] There was a more widespread acceptance of the principle of trade agreements, whereby the employer and the men determined the conditions of labor by means of direct negotiations.

Although it had been the policy of the American Federation of Labor to keep out of politics, it was almost inevitable that the policy should receive some modifications. Organizations of employers were influential at Washington, and had long been so. Accordingly in 1908 the Democratic platform was endorsed on account of its labor planks, and again in 1910 and 1912. By the latter year all parties were earnestly striving to

[1] Below, p. 508.

capture the labor vote, and in particular the Democratic and Progressive platforms embodied most of what the wage earner had been demanding for the previous generation.

The major demands in the labor program of earlier years—higher wages, shorter hours, settled conditions of employment, and the like—were not altered after 1896, but a few striking advances were made. The attempt to legislate concerning hours of employment, for example, had been continually obstructed by the clauses in the Fifth and Fourteenth Amendments forbidding any legislation depriving the individual of "life, liberty, or property, without due process of law." The courts had usually interpreted these phrases as prohibiting laws restricting hours of labor, on the ground that the liberty of the workman to contract freely regarding his own working hours was thereby infringed. A Massachusetts law of 1874, nevertheless, which limited a day's work for women and children to ten hours, had followed the long-continued assertion that regulatory legislation could be based on the "police power"—a somewhat indefinite authority which was gradually conceded by the courts to the states and the federal government, and under which it was possible to pass legislation concerning the conservation of the health and morals of the people without violating the Constitution. Not until 1908, however, was the constitutionality of such legislation finally settled by the Supreme Court, in upholding an Oregon ten-hour law. "As healthy mothers are essential to vigorous offspring," the decision asserted, "the physical well-being of women becomes an object of public interest and care in order to preserve the strength and vigor of the race." In other words, the Court was prepared to approve limitations on the freedom of contract in order

to further the public interest. The Massachusetts law was imitated far and wide, so that at the present time an almost negligible number of states have failed to restrict the length of the working day for women.

Recently, also, substantial progress has been made in restricting working hours for children. As long ago as 1866 Massachusetts had restricted the employment of children, but neither this law nor similar laws passed by other states had been fully enforced. Greater progress has been made since 1903, when Illinois, followed by the majority of the important industrial states, established the eight-hour standard for children under sixteen. Impressed with the need of federal legislation to coerce backward states, the reformers took their case to Congress where a federal act was passed in 1916. On account of constitutional limitations, the measure was framed so as to forbid shipment, on interstate railways, of the products of factories employing children under fourteen years of age. It was estimated that 150,000 out of nearly 2,000,000 working children might be affected by the act. Its fate, however, was that of many another piece of economic legislation; by a vote of five to four, the Supreme Court declared the law unconstitutional on the ground that it was not an attempt to regulate commerce, but an attempt to regulate the conditions of manufacture. Early in 1919 the effort to regulate child labor was renewed through the imposition of a tax of ten per cent. on the net profits of factories employing children under fourteen years of age. The constitutionality of the law has not yet been tested (1920).

It will be noted that all the foregoing legislative attempts to reduce the working day affected women and children only; in general, little attempt has been made to limit the working day for men. Nevertheless, large

numbers of cities, more than half the states, and the federal government provide for an eight-hour day on public work; and western states have followed the lead of Utah in passing eight-hour laws for miners. Hours of labor for railway employees have also been the subject of study and legislation. Cases had not been unknown where employees were kept at their posts for thirty, fifty and even one hundred hours; frequently such workmen fell asleep and disastrous accidents occurred. In 1907 this situation was met by a congressional act limiting the hours of railway engineers to sixteen and providing that periods of work must be followed by specified rest periods. Train-despatchers, telegraphers, and others were similarly protected. A majority of the states imitated these federal statutes. In a few cases, state laws have been passed which were intended to limit working hours in other especial industries. The most famous of these was one in New York, which restricted the working day in bakeries to ten hours. In the decision Lochner *v.* New York, the Supreme Court declared the law unconstitutional.[1]

The early twentieth century also saw progress on the subject of compensation for industrial accidents. As far back as 1884 Germany had enacted a law which put the blame for all accidents on the employers, except when the victim was wilfully negligent; in 1897 England had passed the British Workmen's Compensation Act which virtually made the employer the insurer of his workmen against all accidents. The theory underlying these laws was that accidents were like wear and tear and should be made a charge on the industry, like the depreciation of buildings and machinery. The United States, however, lagged behind all other industrial nations, despite the astonishing number of acci-

[1] Above, p. 442.

dents which yearly occurred. In 1908, for example, it was estimated that two million men were injured, of whom 200,000 were permanently disabled, and 30,000 died—a larger number than the federal killed, wounded and missing in the Gettysburg campaign. Under previous practice in this country compensation for industrial accidents had been awarded in accord with common law principles, under which the employer was not responsible for an employee who was injured through the negligence of a fellow servant. Any workman who entered hazardous employment was assumed under the common law to know the dangers and be ready to run the risks, and no compensation could be recovered unless it could be shown that the master had been negligent and the employee had not also been negligent. It came widely to be thought that the common law did not justly apply to the complex industrial system of modern times. It did not seem equitable, for example, that the fellow servant doctrine should hold in case of a railway employee killed through the negligence of a train despatcher many miles away, whom he did not know and had never even seen.

The first workmen's compensation act in the United States was passed in Maryland in 1902. Its scope was narrow and it came to nothing as it was declared unconstitutional. In course of time, however, legislation was framed in such language as to pass muster before the courts, and moreover judicial decisions changed, as time went on, in the direction desired by popular opinion. Beginning in 1911 there was an avalanche of liability and compensation laws and by 1920 forty-two states, together with Porto Rico, Alaska and Hawaii had passed acts that placed the burden more or less completely on the employer, and provided schemes of compensation. The federal government also took ac-

tion. At the suggestion of President Roosevelt an act was passed in 1908 making interstate railroads responsible for injuries to employees and expressly doing away with former common law practices.[1] At the same time a similar liability was placed upon the United States for accidents occurring to certain classes of government employees and a plan of compensation was established. In 1916 another act brought all civil servants under the system.

Several other types of social legislation have made considerable progress in Europe, but have found little or no foot-hold in this country, such as minimum wage laws, health insurance, old age and widows' pensions, and unemployment insurance. The minimum wage law, establishing a level below which wages must not go, has been adopted by Massachusetts and a few other states in a restricted form. The unemployment problem has hardly been touched, although the federal Department of Labor since its establishment in 1913 has gathered and made public information in regard to opportunities for work.

Recent years have likewise seen a vast number of laws which together have made a new era in American industrial life, although separately no one of them was revolutionary. For example, matches containing white phosphorous were subjected to a prohibitive tax because of the harmful effect of the phosphorous on workmen in match factories; greater care was exercised in guarding dangerous machines, elevator wells and the like; fire protection, harmful or poisonous fumes and dust, ventilation and safety devices in mines, safety appliances on railway trains, together with numberless other accompaniments of modern industry were the subject of state legislation. Almost as important as

[1] An act of 1906 had been declared unconstitutional.

legislative enactments were the changes in working conditions voluntarily made by the most progressive corporations. One who compares a factory built within twenty-five years of the close of the Civil War with a building erected since 1900 discovers revolutionary changes. Later buildings are constructed with much more care for ventilation, light and convenience; in some cases even the temperature of the work-rooms is a matter for painstaking attention; "welfare" work is now a commonplace, with rest rooms, lunch rooms, recreation fields and factory social activities. Factory or store committees that confer with higher officers in relation to hours and the needs and desires of the employees are by no means uncommon, and some of the large corporations even provide pension systems for their employees.

On the other hand, laws and statute books did not always guarantee performance. Laws were continually avoided both by the employers and the employees; workmen transgressed rules laid down for their welfare; the passage and execution of many laws were hampered to the last degree by short-sighted employers; the courts invalidated much legislation on the ground of unconstitutionality; and progress was frequently confined to leading states or corporations and was by no means universal. It nevertheless is true that the tendencies in social and economic legislation since 1896 have been widely different from those prevalent before that year.

In several cases the influence of the labor element in federal legislation has been decisive. The use of the injunction, it will be remembered, was one of the grievances most frequently mentioned at the time of the Pullman strike. In the campaign of 1908 both parties strove to attract the labor vote by proposals of

reform, but not until 1914 was the issuance of injunctions forbidden "unless necessary to prevent irreparable injury to prosperity . . . for which injury there is no adequate remedy at law." At the same time the labor unions were exempted from the operation of the anti-trust laws.[1] The influence of the labor organizations was also a factor in the agitation for the restriction of immigration which continued from 1897 to 1917. In the former year a bill was passed which contained a literacy test—that is, a provision excluding persons who were unable to read or write English or some other language. President Cleveland exercised his veto, as did later presidents when similar measures were carried in 1913, 1915 and 1917, but in the latter year Congress was able to muster sufficient strength to pass the act over the President's veto. One of the main purposes of the measure seems to have been the restriction of the labor supply, and hence it enlisted the support of the American Federation of Labor and other similar organizations.[2]

The ameliorative measures already mentioned have by no means prevented the boycott and the strike. Indeed they have not, except in rare cases, directly affected the two great causes of industrial disputes—hours and wages for adult male laborers. Many formidable and violent strikes have occurred since 1896, such as those of the shirt-waist makers in New York in 1909, the textile operatives in Lawrence, Massachusetts, in 1912, and the Colorado coal miners in 1913. On the whole, however, it seems that the labor unions have developed somewhat greater conservatism and that their influence has been against violence in strikes.

[1] It should be said, however, that the meaning of this law is far from clear and is yet (1920) to be interpreted by the courts.

[2] Presidents McKinley and Roosevelt also favored it. See Ogg, *National Progress*, 123–130.

Few aspects of the labor problem have been the cause of more earnest thought than the search for peaceful methods of settling industrial controversies. In 1898, by the Erdman Act, the federal government provided a means for arbitrating disputes on interstate railways. The Newlands Act of 1913 superseded this by the creation of a formal Board of Mediation and Conciliation, and many disputes were decided under the terms of these laws. The Department of Labor mediated in many industrial disputes, and in 1916 when the four railway brotherhoods threatened to strike for an eight-hour day, Congress itself intervened with a piece of special legislation, the Adamson law, which was framed to settle the questions under dispute.[1] In some cases, profit-sharing plans have been put into force; in others, disputes have been referred to impartial boards of outsiders; and in yet others, machinery has been established for continuous conference between representatives of the employees and employers. Neither federal and state boards and commissions, however, nor the efforts of individual employers have been sufficient fully to insure industrial peace.

The increased activity of the state and federal governments in the fields of economic legislation, as indicated in the passage of labor laws, was also illustrated in two important measures passed in 1906. The adulteration of foods had been brought to a state of dangerous perfection, and drugs had been commonly advertised and sold all over the country which had none of the powers ascribed to them by their makers. Since the eighties, many states had forbidden the sale of impure or tainted food, but the laws were varied and difficult to enforce, and it appeared that reliance must

[1] Below, p. 571.

be placed on the federal government. As early as 1890 a federal law had provided for the inspection of meats which were to be exported, but otherwise little progress had been made. In 1906 Upton Sinclair published *The Jungle,* a novel which purported to describe the ghastly conditions under which the meat packers of Chicago conducted their business. Sinclair's book, together with a campaign of education conducted by the muckrake periodicals against harmful patent medicines aroused public interest to such a degree, that two important laws were passed. One provided for federal inspection of meats intended for interstate commerce, so as to make sure that they were obtained from healthy animals and slaughtered under sanitary conditions. The other act concerned foods and drugs, and prohibited the sale of these commodities if they contained any injurious drugs, chemicals or preservatives, while a later amendment forbade false statements on labels attached to medical compounds. As a result of the provisions of the law in regard to patent medicines, many concerns which had been selling drugs that were falsely advertised as having curative effects were compelled to retire from business.

Innovations in the field of politics and government since 1896 have been as marked as in the field of social and economic legislation. Possibly the most outstanding development has been the rapid expansion of the range and variety of the activities of the federal government. The unification of the economic life of the nation, as has been shown, compelled a program of federal economic legislation, and helped inculcate a feeling of greater political solidarity. When fires and floods and other disasters occurred which were too great for a single city or state to take care of, when

state laws became confusing because of their variety, when railroads crossed a dozen states and corporations that were chartered in New Jersey did business in Maine, Florida and California, only at the federal capital could the requisite authority be found, which would give the needed relief. As the theory of *laissez faire* gradually broke down, moreover, giving way to the belief that the government ought to be the servant of the mass of the people, it was inevitable that the people should themselves turn more to legislation as a remedy for their grievances. To Washington, therefore, hurried the proponents of every reform.

This tendency was not only counter to the probable intention of the framers of the Constitution, but it trenched upon the powers specifically granted to the states. The tenth amendment stated in so many words that "The powers not delegated to the United States . . . are reserved to the States." It was necessary for the federal government to act, however, or else to leave problems that had become national in character to the chaos that results from legislation in nearly fifty states. State laws concerning railroads, for example, as well as marriage and divorce, child labor and trusts are even now in a maze. No solution of the problem seemed possible other than constant stretching of the terms of the Constitution. In 1906, one of the most conservative statesmen in the country, Elihu Root, even went so far as to utter a warning that if the states did not use their powers to better advantage a "construction of the Constitution will be found to vest the power where it will be exercised—in the National Government." The burden thus shifted from state to nation was somewhat lightened by the appointment of numerous commissions to which was entrusted the administration of specific laws or the accumulation

of specific data. The earliest of these was the Interstate Commerce Commission; later, others were appointed to administer laws concerning banking, the tariff and the trusts.

With the expansion of the power of the federal government went the elevation of the office of chief executive. Cleveland's use of the veto power had given an indication of the possibilities of the presidential office in obstructing undesirable legislation; his action in bringing about the repeal of the purchase clause of the Sherman silver law in 1890 had shown the more positive force which a determined officer could exert. Roosevelt's activity in carrying his anti-trust program to the people, and his mediation in the coal strike carried the prestige of the presidency to greater heights. President Taft was by no means radical in his interpretation of the powers and possibilities of his office; nevertheless his conception of it was far removed from the conservative philosophy of President McKinley, and he even suggested in a message to Congress that the cabinet officers be given seats, although without votes, in the Senate and House. His successor augmented rather than diminished the powers of the presidential office.

The Senate, on the contrary, lost both in power and in prestige. Many reasons for the increasing popular distrust of the Senate after the middle nineties can be given. There was a widespread belief that a controlling fraction of the body had achieved membership through wealth, through the assistance of corporate interests and because of skill in the manipulation of political wires. The charge was common that a small coterie of powerful strategists held the Senate in their hands and with it the control of important legislation. Most of all, and especially in the West, many thought-

ful people believed that the state legislatures were easily influenced to choose inferior or untrustworthy men as senators. Whatever the reasons, however, there grew increasingly after 1870 and particularly after 1893 a demand for the popular election of senators. Between the latter year and 1911, at six different times resolutions were presented to Congress proposing an amendment to the Constitution which should secure popular election. At length Congress gave way, adopted an amendment, and sent it to the states. Within ten months thirty-six states had agreed, and after May 31, 1913, senators were elected by the people.

The demand for greater popular control over the choice of senators was a part, merely, of a somewhat general political trend. Distrust of the state legislatures had long been observable, and new state constitutions had been notable for detailed prohibitions placed upon law-making bodies. The West, which had gone to greatest extremes in framing new state constitutions, was also the testing-ground for the initiative, referendum and recall. The first of these devices—the initiative—is a plan by which a specified percentage of the voters may initiate legislation—that is, propose a law and require the officials of the state to submit it to the electorate. If the people accept the proposal, it becomes law as if enacted by the legislature. Under the referendum system, any measure already accepted by the legislature is held in abeyance on petition of a specified number of voters, until presented to the people for approval or rejection. Both the initiative and the referendum had been commonly used in Switzerland before being adopted in South Dakota in 1898. In less than two decades they had been accepted in twenty-one states, all but four of which were west of the Mississippi, and in one of the four eastern states, Mary-

land, only the referendum was tried. In Oregon, which made the most complete trial of these methods of legislation, both the initiative and the referendum were extended to the municipalities. The reasons for the innovation were to be found in the determination to discover a means of compelling negligent or boss-controlled state legislatures to respond to public opinion.[1]

The recall is a process by which any public official may be withdrawn from his office by popular vote before the expiration of his term. Los Angeles adopted the plan in 1903 and was imitated by a small number of other western cities; Oregon in 1908 applied the device to all state officers, and in one form or another it has been adopted in ten states (1920). During the campaign of 1912 Roosevelt proposed that the voters be allowed to ratify or reject the decision of the courts on the constitutionality of legislation. The results of the suggestion were negligible.

More significant than the recall as an indication of the prevailing desire to increase popular control over the processes of government was the adoption of direct primaries. Under this expedient the nominees of a party for office are chosen directly by the party voters, rather than by a party convention. Wisconsin first used the system in 1903 and from that state it spread rapidly. At the present time most states have some form of direct nomination. The peculiar circumstances surrounding the campaign for the Republican nominations in 1912 gave force to the demand for presidential preference primaries which were held in about a fourth of the states. Only the future can tell with assurance whether the demand is more than temporary.

[1] By 1920 twenty-three states had adopted the referendum or the initiative and referendum.

The agitation for women's suffrage was another example of the increasing desire for popular control of government. Suffrage for women was first granted by Wyoming in 1869 when its territorial government was organized, but the movement lagged thereafter until the early years of the twentieth century. At that time increasing numbers of states began to grant political privileges to women, and finally in 1919 Congress passed a proposed constitutional amendment expressly stating that sex should not be a bar to the suffrage.[1]

Accompanying the increased popular control of government after 1896 was a gradual demand for a higher level of political ethics. The revelations of the insurance investigations of 1905 were significant of this change. Early in that year certain newspapers made charges against the Equitable Life Assurance Company which were taken up by the New York legislature and referred to a committee for investigation. The committee's task was the examination of the affairs of life insurance companies doing business in the state of New York; its attorney was Charles E. Hughes. The results of the investigation amazed the country. The exorbitant salaries paid to officers, the unreasonable expenses incurred and the disregard of the rights of the policy holders were of concern chiefly to persons doing business with the companies. But it also appeared that several of the larger concerns had divided the country into districts, and had systematically influenced legislation affecting either insurance or financial interests to which they or their officers were re-

[1] The amendment reads: Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States, or by any State, on account of sex. Section 2. Congress shall have power, by appropriate legislation, to enforce the provisions of this article. The amendment was ratified by the required number of states and proclaimed in force August 26, 1920.

lated; enormous sums were expended and records not kept, or so kept as to conceal the real purposes of the expenditure. The report of the committee showed that Chauncey M. Depew, a member of the United States Senate, was paid $20,000 a year for legal services, without his rendering any return that seemed to warrant the payments made. The contributions of the companies to the Republican campaign funds were very heavy—$50,000 by one company in 1904. It appeared from testimony that Democrats also sought contributions from the companies but were refused. The final report of the committee unsparingly condemned these abuses and embodied a program of legislation for their reform, which was put into effect. The public received an education in the connection of corporations with politics, and Hughes himself at once became a figure of national importance, the favorite of the reform element, and was launched upon a career that made him governor of New York, a member of the United States Supreme Court and candidate for the presidency.[1]

Laws regulating campaign expenditures had long been on the statute books although they had been little heeded, but as the result of the insurance investigation, New York in 1906 forbade contributions by corporations for political purposes. In 1907 Congress passed a similar law concerning federal campaigns, and most of the states have since passed laws placing restrictions on the use of campaign funds. In the campaign of 1908 Bryan requested that the Democratic National Committee receive no contributions from corporations, that no sums in excess of $10,000 be received from any source and that a list of contributors be published in

[1] The election of Senator Isaac Stephenson of Wisconsin occasioned another outbreak of reform sentiment. Investigation betrayed the fact that he had expended $107,793.05 in his primary campaign. The salary of a senator at that time was $7,500 per annum.

advance of the election. By a law enacted in 1911 Congress compelled a statement of the amounts of money spent by committees, and limited the amounts which might be spent by candidates for Congress. In 1919 the Chairman of the Republican National Committee announced that the party would raise funds for the next campaign in amounts from $1 to $1,000. Both parties were discovering that public sentiment opposed large contributions from individuals and corporations, because they expect a *quid pro quo* after the election.[1]

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[1] An investigation of federal campaign expenditures conducted in 1912–1913 by a committee headed by Senator Moses Clapp uncovered much that had hitherto been only the subject of rumor. The Standard Oil Company, for instance, contributed $125,000 in 1904. Archbold, the vice-president of the company, testified that he told Bliss, the Republican treasurer, "We do not want to make this contribution unless it is thoroughly acceptable and will be thoroughly appreciated by Mr. Roosevelt"; and that Bliss "smilingly said we need have no possible apprehension on that score." Archbold complained later when the administration attacked the company, but Roosevelt declared that he was unaware of the contribution at the time. The Republican fund in 1908 was $1,655,000. The testimony of Norman E. Mack, Chairman of the Democratic National Committee, indicated his perfect willingness to accept money wherever he could get it, and that he refused to receive contributions from corporations only because of Bryan's scruples. Roosevelt declared, on the authority of an insurance officer, that the Democrats in the campaign of 1904 were after all the corporation funds they could get.

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CHAPTER XXIII

LATER INTERNATIONAL RELATIONS [1]

AT the close of the war with Spain it was commonly remarked that the United States had become a world power; books and periodicals written on the history of the period were based upon the assumption that America had swung out into the current of international affairs and that the traditional isolation of this country had become a thing of the past. Time must be appealed to, however, for answers to fundamental questions concerning the character of this change. Did the United States become a world power in the sense that the majority of its people threw off that policy of steering clear of permanent alliances which had been expressed by Washington in his farewell address, in favor of the policy of participation in world affairs on a footing with the larger European states? Did the people of the United States after 1898 take a constant and informed interest in world politics and international relations? Or did the people, after a slight excursion into the West Indies and the Philippines, return to the traditional attitude of "splendid isolation"? Was the extent to which the United States became a world power sufficient to make probable its entry into a European war?

[1] The Presidents and Secretaries of State during this period were as follows:

McKinley, 1897–1901; John Sherman, William R. Day, John Hay.
Roosevelt, 1901–1909; John Hay, Elihu Root, Robert Bacon.
Taft, 1909–1913; P. C. Knox.
Wilson, 1913–1921; W. J. Bryan, Robert Lansing, B. Colby.

A cardinal principle of the foreign policy of the United States has always been its attachment to international peace, particularly through the practice of arbitration. The great hopes raised by the two Hague Conferences were striking proofs of this fact. In 1899, at the suggestion of Czar Nicholas II of Russia, twenty-six leading powers conferred at The Hague, in order to discover means of limiting armaments and ensuring lasting peace. A second conference was held in 1907 at the suggestion, in part, of President Roosevelt. At this gathering forty-four states were represented, including most of the Latin-American republics. During the two conferences many questions relating to international law were discussed, and the conclusions reached were expressed in the form of "Conventions," which the several powers signed. In the main these agreements related to the rights and duties of nations and individuals in time of war. Most important among the agreements was one for the pacific settlement of international disputes, according to which, in certain less important controversies, the states concerned would appoint a "commission of inquiry" which would study the case and give its opinion of the facts involved. It was also agreed to organize a Permanent Court of Arbitration to be available at all times for the peaceful settlement of differences. Strictly speaking this body was not a Court, but a list of judges to which each nation was to contribute four, and when any countries became involved in a controversy they could draw arbitrators from the list. Moreover the powers agreed "if a serious dispute threatens to break out between two or more of them, to remind these latter that the Permanent Court is open to them."

The United States was a party to four of the fifteen cases presented to the Court between 1902 and 1913.

The first controversy was between the United States and Mexico and involved "The Pious Fund," a large sum of money which was in dispute between Mexico and the Roman Catholic Church of California, and the second concerned claims of the United States, Mexico and eight European countries against Venezuela. As the Court was successfully appealed to in case after case, high hopes began to be entertained that the "Parliament of Man" had at last been established. Elihu Root, the Secretary of State, asserted in a communication to the Senate in 1907 that the Second Conference had presented the greatest advance ever made at a single time toward the reasonable and peaceful regulation of international conduct, unless the advance made at The Hague Conference of 1899 was excepted.

In the meantime, in 1904, under President Roosevelt's leadership, treaties were arranged with France, Germany, Great Britain and other nations, under which the contracting parties agreed in advance to submit their disputes to The Hague Court, although excepting questions involving vital interests, independence or national honor. While the Senate was discussing the treaties, it fell into a dispute with the President in regard to its constitutional rights as part of the treaty-making power, and although there was general agreement on the value of the principle of arbitration, yet the Senate insisted upon amending the treaties, whereupon the President refused to refer them back to the other nations. Secretary Root revived the project, however, in 1908 and 1909 and secured amended treaties with a long list of nations, including Austria-Hungary, France and Great Britain. President Taft signed treaties with France and England in 1911 which expanded the earlier agreements so as to include "justiciable" controversies even if they involved questions

of vital interest and honor, but again the Senate added such amendments that the project was abandoned. Bryan, Secretary of State from 1913 to 1915, undertook still further to expand the principles of arbitration, and during his term of office many treaties were submitted to the Senate, under which the United States and the other contracting parties agreed to postpone warfare arising from any cause, for a year, in order that the facts of the controversy might be looked into. Many of these treaties were ratified by the Senate.

The attitude of the American people toward the pacific settlement of international disputes found expression in many ways in addition to the arrangement of treaties. At Lake Mohonk, yearly conferences were held at which leading citizens discussed phases of international peace. Andrew Carnegie and Edwin Ginn, the publisher, devoted large sums of money to country-wide education and propaganda on the subject. The leaders of the movement and the membership of the organizations included so many of the most prominent persons of their time—public officials, university presidents and men of influence as to prove that the traditional American reliance upon international arbitration was more firmly rooted in 1914 than ever before in our history.

The attitude of the United States toward purely European controversies was illustrated in our action on the Moroccan question. In 1905–1906 a controversy broke out between Germany and France in relation to Morocco, and in January of the latter year a conference was held at Algeciras in southern Spain in which ten European nations and the United States took part. The result of the meeting was an "Act" which defined the policy of the signatory powers toward Morocco. The Senate, in ratifying the Act, asserted that its ac-

tion was not to be considered a departure from our traditional policy of aloofness from European questions.

The outstanding incident in our relations with that part of America south of the republic of Mexico was the controversy with Colombia over the Panama Canal strip. The project for a canal across the Isthmus of



Panama was as old as colonization in America. For present purposes, however, it is not necessary to go farther into the past than the Clayton-Bulwer treaty of 1850, by the terms of which the United States and Great Britain agreed that neither would obtain any control over an isthmian canal without the other. As time went on, however, American sentiment in favor of a canal built, owned and operated by the United States alone grew so powerful that the Hay-Pauncefote treaty of 1901 was arranged with Great Britain. This agree-

ment permitted a canal constructed under the auspices of the United States. Sentiment in Congress was divided between a route through Nicaragua and one through that part of the Republic of Colombia known as Panama, but in 1902 an act was passed authorizing the President to acquire the rights of the New Panama Canal Company, of France, on the isthmus for not more than $40,000,000, and also to acquire a strip of land from Colombia not less than six miles wide.[1] In case the President was unable to obtain these rights "within a reasonable time and upon reasonable terms," he was to turn to the Nicaragua route. President Roosevelt was himself in favor of the Panama project.

The Hay-Herran convention with Colombia was accordingly drawn up and signed in January, 1903, giving the United States the desired rights on the isthmus, but the Senate of Colombia rejected the treaty. Thereupon the New Panama Canal Company became alarmed because it would lose $40,000,000 in case the United States turned from Panama to Nicaragua, and its agents busied themselves on the isthmus in the attempt to foment a break between Colombia and its province of Panama; the people of Panama became aroused because their chief source of future profit lay in their strategic position between the two oceans; and the President was concerned because Congress would soon meet and might insist on the Nicaragua route or at least greatly delay progress. He hoped for a successful revolt in Panama which would enable him to treat with the province rather than with Colombia, and he even determined to advise Congress to take possession forcibly if the revolt did not take place.

The administration meanwhile kept closely in touch

[1] The French company had a concession on the isthmus and had already done considerable work.

with affairs in Panama, and having reason to suspect the possibility of a revolution sent war vessels to the isthmus on November 2, 1903, to prevent troops, either Colombian or revolutionary, from landing at any point within fifty miles of Panama. Since the only way by which revolution in Panama could be repressed was through the presence of Colombian troops, the action of the American government made success highly probable in case a revolt was attempted. On the next day the plans of the Canal Company agents or of some of the residents of Panama came to a head; early in the evening a small and bloodless uprising occurred; and while the United States kept both sides from disturbing the peace, the insurgents set up a government which was recognized within two days, and Philippe Bunau-Varilla, a former chief engineer of the Company, was accredited to the United States as minister. A treaty was immediately arranged by which the United States received the control of a zone ten miles wide for the construction of a canal, and in return was to pay $10,000,000 and an annuity of $250,000 beginning nine years later, and to guarantee the independence of Panama. The Secretary of State, John Hay, described the process of drawing up the treaty in a private letter of November 19, 1903:

> Yesterday morning the negotiations with Panama were far from complete. But by putting on all steam, getting Root and Knox and Shaw together at lunch, I went over my project line by line, and fought out every section of it; adopted a few good suggestions: hurried back to the Department, set everybody at work drawing up final drafts—sent for Varilla, went over the whole treaty with him, explained all the changes, got his consent, and at seven o'clock signed the momentous document.

Although the Senate ratified the treaty, the action of

the President was the cause of a storm both in that body and throughout the nation. In self-defence Roosevelt condemned Colombia's refusal to ratify the Hay-Herran treaty and asserted that no hope remained of getting a satisfactory agreement with that country; that a treaty of 1846 with Colombia justified his intervention; and that our national interests and the interests of the world at large demanded that Colombia no longer prevent the construction of a canal. On the other hand the President's critics called attention to the unusual haste that surrounded every step in the "seizure" of Panama; condemned the disposition of war vessels which prevented Colombia from even attempting to put down the uprising; and insinuated that the administration was in collusion with the insurgents. Roosevelt's successors in the presidency felt there was some degree of justice in the claim of Colombia that she had been unfairly treated by her big neighbor and several different attempts were made to negotiate treaties which would carry with them a money payment to Colombia. On July 29, 1919, the Foreign Relations Committee of the Senate unanimously reported to that body the favorable consideration of a treaty providing for a money payment of $25,000,000, but other matters intervened and no further progress resulted.[1]

The work of constructing the waterway was delayed by changes of plan until 1906, when a lock canal was decided upon, and shortly afterward a start was made. So huge an undertaking—the isthmus is forty-nine miles wide at this point—was an engineering task of

[1] Roosevelt, after his retirement from office was widely reported as having said in an address at the University of California: "If I had followed traditional, conservative methods, I would have submitted a dignified state paper of probably two hundred pages to Congress, and the debate on it would have been going on yet; but I took the Canal Zone and let Congress debate." Cf. Jones, *Caribbean Interests*, 238–239.

unprecedented size, and involved stamping out the yellow fever, obtaining a water supply, building hospitals and dwellings and finding a sufficient labor force, as well as the more difficult problems of excavating soil and building locks in regions where land-slides constantly threatened to destroy important parts of the work. At length, however, all obstacles were overcome and on August 15, 1914, the canal was opened to the passage of vessels.

The final diplomatic question relating to the canal concerned the rates to be charged on traffic passing through. By the terms of the Hay-Pauncefote treaty with Great Britain, the United States agreed that the canal should be free and open to all nations "on terms of entire equality." In 1912 Congress enacted legislation exempting American coast-wise vessels from the payment of tolls, despite the protest of Great Britain. As President Wilson was of the opinion that our action had been contrary to our treaty agreement, he urged the repeal of the act upon his accession in 1913, and succeeded in accomplishing his purpose.

The construction of the Canal under American auspices committed the United States to new responsibilities in the Caribbean. Her coaling station in Cuba, the possession of Porto Rico and the protection of the isthmus made it a matter of national safety to preserve stable governments in Central America and the West Indies. The infiltration of American capital into the region served to ally economic with political interest, for like European investors, our capitalists have taken a part in the exploitation of South American sugar, fruit, coffee, oil and asphalt. With the islands and shores of the Caribbean Sea alone, American trade doubled in the decade after 1903. Orderly government south of the United States became accordingly essen-

tial to the welfare of our outlying possessions, and to the commercial interests of a group of investors. The most important international questions that have arisen in Spanish America related to Venezuela in 1902 and Santo Domingo in 1905.

Venezuela had long granted concessions to foreign investors—Germans, English, Italians and others—in order to develop her mines, timber and railroads, but unsettled conditions in the country frequently resulted in the non-fulfillment of the obligations which had been entered into. Germany, for example, claimed that the government of Venezuela had guaranteed dividends on the stock of a railroad built by German subjects and had failed to live up to the contract. Having in mind the possible use of force to compel Venezuela to carry out her alleged obligations, Germany consulted our state department to discover whether our adherence to the Monroe Doctrine would lead us to oppose the contemplated action. The attitude of President Roosevelt in 1901 was that there was no connection between the Monroe Doctrine and the commercial relations of the South American republics, except that punishment of those nations must not take the form of the acquisition of territory. In 1902 Germany, Great Britain and Italy proceeded to blockade some of the ports of Venezuela, and the latter thereupon agreed to submit her case to arbitration. Apparently, however, Germany was unwilling to relinquish the advantage which the blockade seemed to promise, and in the meantime Roosevelt became fearful that the result of the blockade might be the more or less permanent occupation of part of Venezuela. He therefore told the German ambassador that unless the Emperor agreed to arbitration within ten days, the United States would send a fleet to Venezuela and end the danger which Roosevelt

feared. The pressure quickly produced the desired results, and during the summer of 1903 many of the claims were referred to commissions. The three blockading powers believed themselves entitled to preferential treatment in the settlement of their claims, over the non-blockading nations, while the latter held that all of Venezuela's creditors should be treated on an equality. This portion of the controversy was referred to the Hague tribunal, which subsequently decided in favor of the contention raised by Germany, Great Britain and Italy, and eventually all the claims were greatly scaled down and ordered paid.[1]

The Venezuela case made evident the possibility that European creditors of backward South American nations might use their claims as a reason for getting temporary control over harbors or other parts of these countries. There was also ground for the fear that temporary control might become permanent possession. Hence in the Santo Domingo case, the United States adopted a new policy. The debts of Santo Domingo were far beyond its power to pay; its foreign creditors were insistent. An arrangement was accordingly made by which the United States took over the administration of the custom houses, turned over forty-five per cent. of the income to the Dominican government for current expenses, and used the remainder to pay foreign claims. The plan worked so well that its main features were continued and imitated in the protectorates over Haiti (1915) and Nicaragua (1916).

The progress which has been made in composing the jarring relations among the American states is due in part to the Pan American Union and to the Pan Ameri-

[1] For the Roosevelt "threat," together with another version of the story, cf. Thayer, *Hay*, II, 284–289 and *North American Review*, Sept., 1919, 414–417, 418–420.

can Conferences. The Union is an organization of twenty-one American republics which devotes itself to the improvement of the commercial and political relations of its member states. The first Pan American Conference, held at Washington in 1889, has already been mentioned.[1] At the second, at Mexico City in 1901, the American republics which had not already done so agreed to the conventions signed at The Hague in 1899. At the third conference at Rio de Janeiro in 1906 and the fourth in Buenos Aires in 1910, its field of effort was further broadened, and in the latter year a recommendation was passed that the Pan American states bind themselves to submit to arbitration all claims for pecuniary damages.

President Wilson continued unbroken the policy of protectorates which President Roosevelt had initiated in the case of San Domingo. His statements of general policy were conciliatory and evidently designed to allay suspicion, and he constantly expressed the view that the American states were cooperating equals. And having asserted that the United States had no designs upon territory, and nothing to seek except the lasting interests of the peoples of the two continents, he gave practical evidence of his purposes by urging that all unite to guarantee one another their independence and territorial integrity, that disputes be settled by investigation and arbitration, and that no state allow revolutionary expeditions against its neighbors to be fitted out on its territory.[2]

American relations with Great Britain between 1896 and 1914 were such as to lend themselves to amicable

[1] Above, p. 289.

[2] The latest acquisition of the U. S. in the Caribbean Sea was the Virgin Islands which were purchased from Denmark in 1916.

settlement. The question of the boundary between Alaska and Canada, to be sure, contained some of the elements of trouble. The treaty of 1825, between Russia and Great Britain, had established the boundary between Alaska and Canada in terms that were somewhat ambiguous, the most important provision being that the line from the 56th degree of north latitude to the 141st degree of west longitude should follow the windings of the coast, but should be drawn not more than ten marine leagues inland. The coast at this point is extremely irregular, and the few important towns of the region are at the heads of the bays. With the discovery of gold in the Klondike region in 1897 and the consequent rush of population to the coast settlements, the question of jurisdiction became important.

The claim of Great Britain was that the word "coast" should be interpreted to include adjacent islands. Hence the ten league line would follow the general direction of the shore but would cut across the inlets and headlands and thus leave the towns in the possession of Canada. The American contention was that the line should follow closely the windings of the shore of the mainland, thus giving the United States a continuous strip of coast. The controversy was referred in 1903 to a board composed of three Americans, two Canadians and the Lord Chief Justice of England. On all the important points the English representative concurred with the Americans and a line was subsequently drawn in general conformity with our contention.[1]

[1] The American members of the Commission were Elihu Root, who was then Secretary of War, Senator H. C. Lodge, and ex-Senator George Turner. The English member was the Lord Chief Justice, Baron Alverstone; the Canadians were Sir Louis Amable Jetté, Lieutenant Governor of Quebec, and Allen B. Aylesworth of Toronto.

The most complicated negotiation of the period, as well as one of the most complicated in our history, concerned the North Atlantic Coast fisheries. Under the treaty of 1818 relating to matters remaining over from the War of 1812, the United States possessed certain rights on the fishing grounds off Newfoundland and Labrador. From then on there was intermittent negotiation concerning the meaning of the terms of the treaty and the justice of fishing regulations made by Canada. In 1908 the United States and Great Britain made a general arbitration treaty, under the terms of which the fisheries question was referred to members of the Court of Arbitration at The Hague.[1] The award, made in 1910, upheld the rights of American fishermen on the coasts of Newfoundland, and recommended the establishment of a permanent fishery commission to settle all future controversies. This was accomplished in 1912 and an irritating and long-standing dispute was put to rest.

"Dollar diplomacy" was the chief novelty in our relations with China. The expression was used in President Taft's administration, when his Secretary of State, P. C. Knox, devoted much attention to promoting loans, contracts and concessions in Central and South America, and more particularly in China. The argument for dollar diplomacy was that it opened new fields for the use of American capital, and thus indirectly benefited the whole people. The President also believed that investments in China would further American influence there and react favorably in continuing the open-door policy which had been initiated by Secretary Hay. The objection most commonly

[1] The American member of the tribunal was Judge George Gray. The closing argument for the United States was made by Elihu Root. Robert Lansing was one of the associate counsel.

made was that the government became bound up in the interests of investors and might be compelled to interpose with armed force when difficulties arose between the investor and the state where the investment was made.

An opportunity for large investments in China was presented during 1912–1913. In the former year a revolution in that distracted country had come to an end and a republic had been set up with Yuan Shih-kai as President. Since the new government was in need of funds, it undertook to borrow through an associated group of bankers from six foreign nations, the United States among them. The financial interests agreed to the loan, but insisted on having a hand in the administration of Chinese finance, so as to ensure repayment. At this point President Wilson's administration began. The bankers at once asked him whether he would request them to participate in the "six-power" loan, as President Taft had done. Wilson declined to make the request, fearing that at some future time the United States might be compelled to interfere in Chinese financial and political affairs, whereupon the American bankers withdrew and the six-power group subsequently disintegrated.

Relations with Japan have been a cause for negotiation on several occasions. During the Russo-Japanese War, which came to a close in 1905, American sympathies were mainly with the Japanese. The correspondence which brought about a cessation of hostilities was initiated by President Roosevelt, and the peace conference was held in Portsmouth, New Hampshire. During the course of the sessions American sympathies shifted somewhat to the Russian side, and when the Japanese did not receive all that they demanded of Russia they felt somewhat dissatisfied.

A subject which seemed at times to contain unpleasant possibilities was the restriction of Japanese immigration into the United States. The western part of the country, especially California, has objected vigorously to the presence of the Japanese on the coast, and as Japan refused to agree to such a treaty as that which restricts Chinese immigration, recourse was had to the Root-Takahira agreement of 1908, by which the Japanese government itself undertook to prevent the emigration of laborers to the United States. It was more difficult to reach an agreement concerning Japanese who were already living in the United States. In 1913 the legislature of California had before it a law forbidding certain aliens from holding land in the state. As the act would apply almost solely to the Japanese, the federal government was placed in an embarrassing position. Under existing treaties the Japanese were granted equal rights with other aliens, but the states were able to modify the practical operation of treaty provisions, as California planned to do, by declaring certain aliens ineligible to citizenship and then placing particular restrictions upon them. The Secretary of State, William J. Bryan, went to California and attempted to persuade the state authorities to alter their land laws. Although the law was eventually passed, it was modified to the extent of allowing Japanese to lease agricultural lands for terms not greater than three years.

In 1917, Robert Lansing, the American Secretary of State, and Viscount Ishii, special ambassador of Japan, reached an important agreement concerning American relations in the Orient. By it the United States admitted the interest of Japan in China, but the two placed themselves on record as mutually opposed to the acquisition by any government of special rights in

China that would affect the independence or the territorial integrity of that country. Nevertheless Japan had already forced China in 1915 to grant her territorial and economic concessions that constituted a grave menace to Chinese independence, and final settlement between the two awaited later events.

It is impossible at the present time to give an accurate account of American relations with Mexico during the decade preceding 1920. Mexico and Mexican affairs are but ill understood in the United States; and the purposes and acts of the chief figure in the most important events, President Wilson, will not be fully known until papers are made public and explanations presented that only he can give. His conduct of Mexican affairs, moreover, had to face constant change on account of the outbreak and progress of a European war in 1914, and many critical decisions had to be arrived at during 1915–1916 when political partisanship in the United States was at fever heat and when the most bitter opponents of the administration were ready to pounce upon every act and hold it up to public scorn. Nor is the exact character of some of the pressure brought to bear upon the President fully known. American capital in vast amounts had gone into Mexico as into other parts of Latin America. Mining companies, railroad, ranching and plantation companies, and private individuals had invested in a land that has been called "the storehouse of the world," because of its fabulous resources in mineral wealth and fertile soil. In 1912 President Taft said that American investments had been estimated at one billion dollars. President Wilson in 1916 warned the public that agents of American property owners in Mexico were scattered along the border originating rumors which were un-

justified by facts, in order to bring about intervention for the benefit of investors. For these reasons most accounts of Mexican relations, whether they uphold or condemn the steps taken by the administration, are rendered defective by prejudice or lack of information. It is possible, therefore, to give only a bare narrative of a few of the most important events following 1910.

The strong hand of Porfirio Diaz ruled Mexico from 1877 to 1880 and from 1884 to 1911. The government was autocratic; the resources of the country were in the hands of foreigners; and while a few magnates were wealthy, the mass of the people were poor and ignorant. The country was infested with bands of robbers, but Diaz managed to control them and even made some of the leaders governors of states. Such was the country that is separated from Arizona and New Mexico by an imaginary line and from Texas by a narrow river that shrinks in summer almost to a bed of sand.

In 1910 Francisco Madero organized a revolt, compelled Diaz to flee to Europe in 1911, and was himself chosen President. Taft meanwhile had sent troops to the border, stray bullets from across the line killed a few American citizens and the demand for intervention began. Madero was soon overthrown by General Victoriano Huerta, who became provisional president. Shortly afterward Madero was shot under circumstances that pointed to Huerta as the instigator of the assassination, but his friends kept the fires of revolt alive, and Governor Carranza of Coahuila, the state across the border from northwest Texas, refused to recognize the new ruler. It was at this juncture that Wilson succeeded Taft. General Huerta was promptly recognized by the leading European nations but President Wilson refused to do so, on the ground that the new government was founded on violence, in defiance

of the constitution of Mexico and contrary to the dictates of morality. He then sent John Lind to Mexico to convey terms to Huerta—peace, amnesty and a free election at which Huerta himself would not be a candidate. When the latter refused the proposal, President Wilson warned Americans to leave Mexico and adopted the policy of "watchful waiting," hoping that Huerta would be eliminated through inability to get funds to administer his government. In the meanwhile the destruction of lives and property continued.

War was barely avoided in the spring of 1914 when a boat's crew of American marines was imprisoned in Tampico. An apology was made, but General Huerta refused to order a salute to the United States flag, and troops were accordingly landed at Vera Cruz, where slight encounters ensued. At this juncture Argentina, Brazil and Chile, "the A B C powers" made a proposal of mediation which was accepted. The conference averted war between the United States and Mexico, although failing to solve the questions at issue. Shortly afterward, however, Huerta retired from the field unable to continue his dictatorship, and the American troops were withdrawn.

The end was not yet however. Carranza and his associate, Villa, fell to quarreling. Bands of ruffians made raids across the border, and Mexico became more than before a desolate waste peopled with fighting factions. At President Wilson's suggestion six Latin-American powers met in Washington in 1915 for conference, and decided to recognize Carranza as the head of a *de facto* government. Diplomatic relations were then renewed after a lapse of two and a half years. In a message to Congress the President reviewed the imbroglio, but expressed doubts whether Mexico had been benefited.

His fears soon proved to be well founded. In 1916 Villa crossed into New Mexico and raided the town of Columbus. With the consent of Carranza the United States sent troops under General Pershing across the line to run down the bandits, but the only result was to drive the Villistas from the region near the border. Renewed raids, this time into Texas, indicated the need of larger forces and the state militia were called upon, but after nearly a year of service they were withdrawn early in 1917. Not long afterward Carranza was elected president for a term of four years, but in 1920 another revolt ended in his assassination. The country is in a condition of wretchedness, and neither life nor property is safe from bands of marauders. President Wilson has patiently attempted to give Mexico a chance to work out her own salvation without hindrance from other countries and without exploitation by investors,—but the problem remains unsettled.[1]

In view of some aspects of the foreign relations of the United States since 1914, it is apparent that such diplomatic incidents as those concerned with boundaries, fisheries and Latin-American protectorates were not the most important forces in determining the outlook of America upon Europe. In spite of the huge immigration of Europeans into America since the Civil War, the United States has seldom drawn upon European experience and has never sought to model itself on European lines. American legislators have not commonly studied either English or continental practices; our institutions and our constitutional limitations have been so peculiarly our own that slight atten-

[1] The number of Americans killed in Mexico as given by the ambassador in 1919 was as follows: 1911, 10; 1912, 6; 1913, 24; 1914, 30; 1915, 26; 1916, 46; 1917, 39; 1918, 31. N. Y. *Times*, July 20, 1919. For the revolution of 1920 consult N. Y. *Times*, May 16 ff.

tion has been paid to the outside world. Even the ancient resentment against England had dwindled by 1914, leaving the United States without any traditional "enemy." Tradition, as well as geographical isolation, tended to keep us apart from the currents of European action.

Nevertheless America was being inter-related with the rest of the world through means with which the diplomats had little to do. In 1867 the Atlantic cable had finally been placed in successful operation, and forty years afterward the globe was enmeshed in 270,000 miles of submarine telegraph wires. In 1901 wireless telegraphic messages were sent across the ocean, and within a few years private and press notices were being sent across the Atlantic, vessels were commonly equipped with instruments, and international regulations concerning radio-telegraphy were adopted by the chief powers of the world. Most important of all was the constant passage of merchant vessels shuttling back and forth between America and Europe, and weaving the two into one commercial fabric. With Great Britain, with Germany, with France, Italy and the Netherlands, during 1913, the United States exchanged products valued at nearly two and a half billion dollars. This was an amount more than twice as great as the entire trade with Europe twenty years before. Over half a billion dollars' worth was with Germany, to which country we sent cotton, copper, food-stuffs, lard and furs in return for fertilizers, drugs, dyes, cotton manufactures and toys. American corporations had branches in Germany, while German manufacturers invested hundreds of millions of dollars in factories here. So huge a volume of commerce concerned the welfare not only of the ordinary commercial classes—ship owners, exporters and investors—but the much larger num-

ber of producers, manufacturers, miners, meat-packers, and farmers who directly and indirectly supplied the materials for export.

In the meantime a change was taking place in the attitude of America toward world affairs. Inaccurate as it was to describe the United States as a world power at the time of the Spanish War, nevertheless the war itself and the colonial responsibilities which it entailed helped to a small degree to break down the isolation of America; frequent communication with Europe, and the expansion of American commerce tended in the same direction.

The international relations of the United States for the twenty years immediately preceding 1914 may then be briefly summarized. The one international problem which interested the greatest numbers of people was the best method of arriving at international peace. Other problems, except the Mexican question, were simple and inconspicuous, and the majority of Americans knew little of European politics or international relations. Only in the fields of communication and commerce was the United States becoming increasingly and intimately related to the remainder of the world, and the extent to which this change supplemented the effect of the war with Spain in broadening the American international outlook was a matter of conjecture.

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CHAPTER XXIV

WOODROW WILSON

A DEFINITE account of the eventful years following 1913 can be written only after time has allayed partisanship; after long study of the social, economic and political history has separated the essential from the trivial; after papers that are now locked in private files have been opened to students; and after the passage of years has given that perspective which alone can measure the wisdom or the folly of a policy. It will be little less difficult to make a just appraisal of the chief American participants in those years, and particularly of President Woodrow Wilson. At present it is possible only to avoid partisanship so far as it can be done, read with open mind whatever documents are available, and refrain from either praise or condemnation. On all sides it is agreed that during his administration Wilson became one of the three or four world-figures, and for that reason his characteristics, as well as the events of his presidency demand unusual attention.

Woodrow Wilson was born in Staunton, Virginia, in 1856. His ancestors were Scotch-Irish and his father an educator and Presbyterian clergyman. After graduating from Princeton College he practiced law, studied history and politics, and taught these subjects at several different institutions. Subsequently he became a professor at Princeton and later its President. He was a prolific and successful writer. His book on *Congressional Government,* for example, went through

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twenty-four impressions before he became President of the United States. *The State,* an account of the mechanism of government in ancient and modern times, and some of his portrayals of American history were hardly less in demand. His election as Governor of New Jersey in 1910 and his election to the presidency two years later have already been mentioned.

The outstanding characteristic of Wilson is a finely-organized, penetrating intelligence. Somewhat like a silent chess-player he thinks many moves in advance, a fact which makes it difficult to judge a single act of his without a knowledge of the whole plan. Before coming to the presidency he had long pondered on the proper and possible function of that office, and had drawn in imagination the outlines and many of the details of the rôle which he was to play. Years of careful study had drilled him in the accumulation of facts. As a specialist in politics and history he was accustomed to make up his mind on the basis of his own researches, and to change his judgments without embarrassment when new facts presented themselves. His literary style is characterized by precision, a close texture and frequently by suppressed emotion. He thinks on an international scale and with a profundity that often dwarfs associates who are by no means pygmies themselves. An unbending will, an alert conscience, stubborn courage, restrained patience, political sagacity, a thoroughgoing belief in democracy and above all an instinctive understanding of the spiritual aspirations of the common people made him the most powerful political figure in America within a brief time after his accession to the presidency. On the other hand, his aloofness from counsel during the later part of his presidency exceeded that of Cleveland, and his abnormal self-reliance was greater than that of Roosevelt.

In reviewing the history of the years following 1913, it is necessary to have a sense of the immensity of the problems involved, as well as a restrained judgment and some knowledge of the chief actors. Beginning in 1914, the great nations of Europe were constantly menaced by appalling dangers; their leaders were daily confronted with decisions of the utmost importance. Because of the close commercial, industrial and financial bonds between the two continents, America could not fail to be affected. She too was compelled to take her part in a drama which was far greater than any in which she had before engaged. Both the President and Congress were confronted with problems the solution of which would vitally affect not only the people of America, but the people of the world; never before had their decisions been so subject to the possibilities of mistakes which would certainly be momentous and might be tragic.

When Wilson and his party came into power in 1913, as the result of the schism among the Republicans, their position was by no means secure. The President had been elected by a distinct minority in the popular vote and his practical political experience had been less than that of any chief executive since Grant. His party had been in power so little since the Civil War that it had no body of experienced administrators from which to pick cabinet officers, and no corps of parliamentary leaders practiced in the task of framing and passing a constructive program. The party as a whole was lacking in cohesion and had perforce played the rôle of destructive critic most of the time for more than half a century; its principles were untested in actual experience, and although its majority in the House was large, in the Senate its margin of control was so narrow

as to suggest the near possibility of the failure of a party program. Wilson was under no illusions as to the circumstances of his election and he realized that both he and his party were on probation.

The appointment of the cabinet occasioned unusual interest. Bryan, the one Democrat who had a large and devoted personal following, became Secretary of State. His influence in nominating Wilson had been very great and the adherence of his admirers was necessary if the party was to be welded into an effective organization. Several of the other members of the cabinet proved themselves to be men of unusual capacity, and their ability to cooperate with one another provided the "teamwork" which the President was anxious to obtain.[1]

His conception of the part which the chief executive ought to play was a definite one. He looked upon the President as peculiarly the representative of the whole people in the federal government, as the leader of the party in power and as commissioned by the voting population to carry out the platform of principles upon which the party and its leader were elected. He believed that the unofficial leaders who are better known as "bosses" existed partly because of the absence of official leaders. As Governor of New Jersey he had acted on the principles that he had outlined for the chief executive of the nation, and upon his accession to the presidency he began at once to put into effect a similar program.

[1] The cabinet, 1913–1920, was as follows: Secretary of State, W. J. Bryan (to 1915), R. Lansing (to 1920), B. Colby; Secretary of the Treasury, W. G. McAdoo, C. Glass, D. F. Houston; Secretary of War, L. M. Garrison, N. D. Baker; Attorney-General, J. C. McReynolds, T. W. Gregory, A. M. Palmer; Postmaster-General, A. S. Burleson; Secretary of the Navy, J. Daniels; Secretary of the Interior, F. K. Lane, J. B. Payne; Secretary of Commerce, W. C. Redfield, J. W. Alexander; Secretary of Labor, W. B. Wilson.

Congress was called for a special session on April 7, 1913, in order to revise the tariff. It was a dangerous task—one which had discredited the Democrats in 1894 and divided the Republicans in 1909—but plans had been laid with care in order to avoid previous mistakes. The Chairman of the Committee on Ways and Means in the House, Oscar W. Underwood, had begun the preparation of a bill during the session before and had discussed it with Democratic members of the Senate Committee on Finance, and with the President.

At the opening of the session Wilson broke the precedent established by Jefferson in 1801, and read his message personally to Congress, instead of sending it in written form to be read by a clerk. In substance the message expressed the President's conviction that the appearance of the chief executive in Congress would assist in developing the spirit of cooperation, and outlined the tariff problem which they were together called upon to settle. He declared that the country wished the tariff changed, that the task ought to be completed as quickly as possible and that no special privileges ought to be granted to anybody. He advocated a tariff on articles which we did not produce and upon luxuries, but he urged that otherwise the schedules be reduced vigorously but without undue haste. Other considerations were more important, however, than the substance of the message. Previous documents of this kind had been long and filled with a wide variety of recommendations concerning both international and domestic relations; Wilson's speech occupied but a few moments, it focused the attention of Congress upon one subject, and fixed the eyes of the country upon the problem. The nation knew that one task was in hand, and knew where to lay the blame if delay should ensue. It was a great responsibility that

the President had assumed, but he assumed it without hesitation.

Underwood presented his bill at once and it passed the House without difficulty, but in the Senate the Democratic majority of six was too small to guarantee success in the face of the objections of Louisiana senators to the proposal for free sugar, and the usual bargaining for the protection of special interests. When the lobby appeared—the group that had so mangled the Wilson-Gorman bill and discredited the Payne-Aldrich Act—the President issued a public statement warning the country of the "extraordinary exertions" of a body of paid agents whose object was private profit and not the good of the public. So vigorous an action resulted in hostility to Wilson, but Congress found itself unusually free from objectionable pressure. Hence while experts differed in regard to the wisdom of one part or another of the bill, it was not charged that its schedules bore the imprint of favoritism for any particular private interests. Discussion in the Senate was so extended that the Underwood act did not finally pass and receive the President's signature until October 3.

The general character of the measure is indicated by the number of changes made in the tariffs as they existed at the time of the passage of the act. On 958 articles the duties were reduced; on 307 they were left unchanged; and on eighty-six (mainly in the chemical schedule), they were increased. Despite the numerous reductions, the Underwood law retained much of the protective purpose of preceding enactments. Attempts were made to decrease the cost of living by considerable reductions on certain agricultural products and by placing others on the free list; wool was to be free after December 1, 1913, and the duty on sugar

was to be reduced gradually and taken off completely on May 1, 1916; duties on cotton goods and on woolens ("Schedule K") were heavily reduced. Underwood represented an iron manufacturing section of Alabama, but he showed an uncommon attention to the general interest by favoring large reductions on pig-iron and placing iron ore and steel rails on the free list. An important part of the law was a provision for an income tax, which had been made possible by the Sixteenth Amendment to the Constitution proclaimed on February 25, 1913. Incomes over $3,000 ($4,000 in the case of married persons), were to be taxed one per cent., with an additional one per cent. on incomes of $20,000 to $50,000, and similar graded "surtaxes" on higher incomes, reaching six per cent. on those above $500,000. The board which the Republicans had established for the scientific study of the tariff had been allowed to lapse by the Democrats, but was revived in 1916 through the appointment of a bi-partisan Commission of six members with twelve-year terms.

On June 23, 1913, after the tariff bill had been piloted around the chief difficulties in its way, the President again addressed Congress—this time on currency legislation. Again he laid down certain principles—a more elastic currency, some means of mobilizing bank reserves, and public control of the banking system. Before mentioning the further history of this recommendation, however, it is necessary to have in mind the main facts in the development of the monetary issue since 1900. Complaint had been common since that year. One difficulty lay in the fact that the volume of the currency could not quickly increase and decrease as busy times demanded more or quiet times required less of the circulating medium. At those parts

of the year, for example, when the crops were being moved there was a greater demand for currency than the banks could conveniently meet. They could, to be sure, buy United States bonds and issue national bank notes upon them as security, but this was a slow and costly process. The dangers of the existing inelastic arrangement were illustrated in the panic of 1907.

In that year occurred a financial crisis which resulted in business failures, unemployment and the indictment of prominent figures in the commercial world; it was precipitated by a gamble in copper stocks. An unsuccessful attempt to corner the stock of a copper company led to the examination of the Mercantile National Bank of New York, with which the speculators had intimate connections. Meanwhile the president of the bank and all the directors were forced to resign. One of the associates of a director in the Mercantile was the president of the Knickerbocker Trust Company, and depositors in the latter bank thereupon became frightened, and $8,000,000 were withdrawn in three hours. The alarm then spread to the depositors of the Trust Company of America—the president of the Knickerbocker was one of its directors—and $34,000,000 were withdrawn by the now thoroughly anxious depositors, who stood in line at night in order to be ready for the next day. The panic spread to other parts of the nation; country banks withdrew funds from the city banks, and they from New York; and at length the government came to the aid of the distressed institutions and deposited $36,000,000 between October 19 and 31. Nevertheless, at the time when depositors were trying to get their money there was sufficient currency in existence to satisfy all needs. The defect lay in the lack of machinery for pooling resources in such a way as to relieve any institution that was in

temporary straits. The experts pointed also to the unscrupulous manipulation of the supplies of currency by New York financiers. There was widespread comment on the fact that if the magnates did not actually constitute a "money trust" they were nevertheless able to expand and contract the available supply to such an extent as to serve their own ends and embarrass the public.

In the meanwhile many experts, among them Senator Nelson W. Aldrich, had been studying the entire banking system. The result of this work was the Aldrich-Vreeland Act of 1908 providing a temporary method for making the supply of currency more flexible and also arranging for a National Monetary Commission to investigate the currency and banking systems in this and other countries. The Commission published thirty-eight volumes of information and recommendations, which were a storehouse of facts concerning the problem, although no legislation resulted. All that Taft did was to pass the task along to Wilson.

As has been seen, President Wilson seized the opportunity at once. Senator Owen and Carter Glass, Chairmen of the Senate and House Committees on Banking and Currency, together with William G. McAdoo, the Secretary of the Treasury, and the President himself drafted the Federal Reserve bill. This measure received careful attention, being the cause of extended hearings and debate in Congress and of discussion in banking circles. The special session wore on and came to an end, but the regular session began at once (December 1), and consideration of the measure continued without interruption. At length on December 22 the House acted favorably, thirty-four Republicans, eleven Progressives, and one Independent

assisting the Democrats in passing the bill; on the following day the Senate passed it, one Progressive and three Republicans voting with the majority. In many details the act as passed differed from the original plan, but in its essential points it was not amended. Although its precise form was the work of a few men, the project in general, of course, represented the labors of many persons extending over many years, and for that reason embodied the best that American experts could give.

The Act provided for the establishment of Federal Reserve Banks, to be placed in districts—the number being eventually fixed at twelve. The capital for each Reserve Bank was to be supplied by the banks in its district which became member banks. In other words the Reserve Banks were to act as banks for their members, but not for private individuals. In control of the twelve was a Federal Reserve Board, composed of the Secretary of the Treasury, the Comptroller of the Currency and five persons appointed by the president for terms of ten years. It was at this point that the chief controversies raged between the bankers and the proponents of the administration measure. The bankers desired one central bank, which the administration opposed because it feared centralized control over the currency supply; and the bankers disliked the proposal for a Reserve Board appointed by the president, because they apprehended the entrance of politics into the appointments. The President and his supporters were determined, however, not to allow the bankers to appoint the Board or any portion of it, because they wished the system to be operated solely in the public interest.

Greater elasticity was given to the currency supply through the issuance of federal reserve notes, at the

discretion of the Federal Reserve Board, to the several regional Federal Reserve Banks. These notes were to be obligations of the government and were expected to replace the former national bank notes. When a local bank requires more currency it may deposit with the Federal Reserve Bank such valuable commercial paper as may be acceptable—for example, promissory notes of reliable business firms—and receive at once a supply of federal reserve notes. When business is brisk and large supplies of currency are demanded, the local banks will deposit whatever paper may be necessary to meet their needs; when the emergency has passed they will withdraw notes from circulation, return them to the reserve bank and receive their paper again.[1] The second great purpose of the new system was to supply central reservoirs for the storage of the reserves of the member banks. Each local bank is required to keep certain prescribed balances in the reserve bank of its district, and the federal government may also deposit funds in it. In conformity with strict regulations the reserves thus accumulated in a Federal Reserve Bank may be directed here and there in the district as needed, and even from district to district, under the control of the Federal Reserve Board. Moreover they are not available for those speculative ventures which have caused so much trouble in the past.[2] The operation of the law has apparently more than met the expectation of its friends. It had hardly been established when a war broke out in Europe, but the unusual financial situation which resulted in America was cared for without great strain.

The third major plank in the Democratic platform

[1] On Apr. 23, 1920, the amount of federal reserve notes outstanding was $3,068,307,000.

[2] On Apr. 23, 1920, the reserves deposited by member banks reached a total of $2,083,568,000.

of 1912 called for legislation concerning trusts, and the President accordingly turned his attention to that topic in his address to Congress on January 20, 1914. He declared that there was no intent to hamper business as conducted by enlightened men, but that, on the contrary, the antagonism between business and government had passed. He recommended the prohibition of interlocking directorates by which railroads, banks and industrial corporations became allied in one monopolistic group, and he suggested that the processes and methods of harmful restraint of trade be forbidden item by item in order that business men might know where they stood in relation to the law. Finally, he believed that the country demanded a commission which should act as a clearing house for facts relating to industry and which should do justice to business where the processes of the courts were inadequate. The results of this undertaking were the Federal Trade Commission act of September 26, 1914, and the Clayton Anti-trust act of October 15.

The former of these laws created a Commission of five persons to administer the anti-trust laws and to prevent the use of unfair methods by any persons or corporations which were subject to the anti-trust laws. Whenever it had reason to believe that such expedients were being used, the Commission was to issue an order requiring the cessation of the practice. If the order was not obeyed, the Commission was to apply for assistance to the circuit court of appeals in the district where the offense was alleged to have been committed. The purpose of the provision was evidently to prevent unfair practices rather than to punish them. Another section of the law empowered the Commission to gather information concerning the practices of industrial organizations, to require them to file reports in regard

to their affairs, and to investigate the manner in which decrees of the Courts against them were carried out. Under direction of the president or Congress, the Commission could investigate alleged violations of the law, and on its own initiative it might report recommendations to Congress for additional legislation.[1]

The Clayton act specifically prohibited many of the practices common to industrial enterprises. Sellers of commodities were forbidden to discriminate in price between different purchasers—after making due allowance for differences in transportation costs; corporations were forbidden to acquire any of the stock of other similar industries, where the effect would be substantially to lessen competition; and directors of banks and corporations were prohibited, with stated exceptions, from serving in two or more competing organizations. The Clayton act also settled, at least for the time, several of the complaints raised by the labor interests, especially at the time of the Pullman strike. Labor and agricultural organizations were specifically declared not to be conspiracies in restraint of trade; injunctions were not to be granted in labor disputes unless necessary to prevent irreparable injury; and trials for contempt of court were to be by jury, except when the offense was committed in the presence of the court. The law also prohibited the railroads from dealing with concerns in which their directors were interested, except under specified conditions.

The success of the President in pushing his party program made his prestige the outstanding fact in politics. His leadership was indisputable and it was evident that he regarded a party platform as a serious program, to the fulfilment of which the party was committed by its election. While the trust legislation was

[1] The Commission superseded the Bureau of Corporations.

under discussion, however, he asked for an act which required all the strength that he could muster.

It will be remembered that the Panama Canal act of 1912 had exempted American coast-wise traffic through the canal from the payment of tolls. The law had been passed under a Republican, President Taft, and both the Progressive and Democratic platforms of 1912 had favored exemption. On March 5, 1914, Wilson appeared before Congress and urged the repeal of the act on the ground that it was a violation of that part of the treaty with Great Britain in which this country agreed that the canal should be open to all nations upon an equality, and that it was based on a mistaken economic policy. He was opposed by Underwood and Champ Clark, two of the most powerful Democratic leaders, but he had the aid of Senator Root, a distinguished Republican who had been Secretary of State under President Roosevelt, and in the end he was victorious. The division in the party was quickly healed and forgotten.

The Congressional elections of 1914 greatly reduced the Democratic majority in the House, although leaving control with that party, but they slightly increased its margin in the Senate. European affairs and the election of 1916 occupied political attention during the second half of the administration, nevertheless the President and Congress proceeded with their program of legislation. Important acts were those providing for the development of the resources of Alaska, the Newlands act for the arbitration of disputes among railway employees, a law providing for federal aid in the building of state highways, measures giving a larger amount of self-government to the Philippines and Porto Rico, and one establishing a series of Federal Farm Loan Banks intended to enable the agricul-

tural population to get capital at low rates of interest.[1] The major items, as well as the smaller ones in the Democratic program were in line with many of the proposals made by the Progressives in their platform in 1912. Attracted by these accomplishments and by the forceful leadership of the President large numbers of the Progressives made the transition into the Democratic party, and from 1913 to 1916 much of the political strategy of both Democrats and Republicans was devoted to attracting the insurgent wing of the Republican organization.

The enactment of such a body of legislation, with the resulting appointment of many officials and clerks, brought the President face to face with the same civil service problem that had caused so much trouble for Cleveland. Upon their accession in 1913 the Democrats had been out of power so long that they exerted the pressure, usual under such circumstances, for a share in the offices. The merit system, however, was even more firmly entrenched than in 1897 when Cleveland had made such additions to the classified lists, for both Roosevelt and Taft had extended the merit principle to certain parts of the consular and diplomatic service. Roosevelt had also made considerable extensions in the application of the system to deputy collectors of internal revenue, fourth-class postmasters, and carriers in the rural free-delivery service; Taft had also increased the number of employees who were appointed under the merit system, notably about 36,000

[1] The appointment of Louis D. Brandeis to the Supreme Court brought to that body a well-known proponent of the newer types of social and economic theory. At first the opposition to confirming his nomination in the Senate, based upon certain facts in his career and allegations concerning them, was uncommonly pronounced. Dissent diminished, however, in the face of investigation, and the nomination was confirmed by a large majority on June 1, 1916.

fourth-class postmasters not touched by his predecessor. Some of the acts passed early in President Wilson's administration—the Federal Reserve law, for example—expressly excepted certain employees from civil service examinations. Bryan, as Secretary of State, showed a lack of devotion to the cause of reform in the conduct of his department. On the other hand the President took a most important step in relation to postmasters of the first, second and third classes, which had always been appointed by the president with the advice and consent of the Senate, and had been among the plums in the gift of the executive that had been most sought after. On March 31, 1917, Wilson announced that thereafter the nominees for postmasters of the first three classes would be chosen as the result of civil service examination.

While the United States was absorbed, in these various ways, in the task of internal construction, an event was occurring in a town in Bosnia which was destined to affect profoundly the course of American history. On June 28, 1914, Archduke Franz Ferdinand, the heir-apparent to the throne of the Austro-Hungarian monarchy was assassinated by a youth of Serbian blood and sympathies in Sarajevo. In Austria the act was looked upon as an incident in a revolutionary movement intended to detach a part of the Austro-Hungarian monarchy and unite it with Serbia. A month later Austria declared war on Serbia, and in a brief time, such was the state of the European alliances, Austria and Germany were opposed to Serbia, Russia, Belgium, France, Montenegro and Great Britain in a devastating war. In August, Japan joined the "Allies," as the nations on Serbia's side were known, and Turkey, in November, took the side of the Teutonic powers. The act that brought Belgium

into the war was of interest to the United States. Germany had declared war on Russia, the friend of Serbia, and expected that France, Russia's ally, would step into the fray. Being thoroughly prepared for war, Germany believed that she could crush France before the latter could take any effective steps. The most convenient path into France lay through Belgium, a small, neutral nation with no interest in the conflict, and the German armies were thereupon poured across the boundary. High German authority freely admitted the wrong of the act, but excused it on the ground of military necessity. Belgium felt that she could not do otherwise than resist the invader and was thus drawn into the vortex. Her danger helped bring Great Britain into the conflict.

The relation of the United States to the conflict seemed remote, and President Wilson on August 4 issued a formal proclamation of neutrality, which was soon followed by an address to the people of the country urging them to be neutral both in thought and in act. For a time it was not difficult for the country to obey the injunction. Although stories of the ruthlessness of the German soldiery in Belgium poured into the columns of American periodicals, the people found difficulty in believing them because they had long admired the efficiency and virility of the Germans. Scarcely a year before the war broke out, ex-Presidents Roosevelt and Taft had extolled the German Emperor as an apostle of peace, and President Butler of Columbia University had declared that the people of any nation would gladly elect him as their chief executive. More than a month and a half after the invasion of Belgium, Roosevelt published an article in *The Outlook* in which he expressed pride in the German blood in his veins, asserted that either side in the European

conflict could be sincerely taken and defended, and continued:

> When a nation feels that the issue of a contest in which . . . it finds itself engaged will be national life or death, it is inevitable that it should act so as to save itself. . . . The rights and wrongs of these cases where nations violate the rules of abstract morality in order to meet their own vital needs can be precisely determined only when all the facts are known and when men's blood is cool. . . . Of course it would be folly to jump into the gulf ourselves to no good purpose; and very probably nothing that we could have done would have helped Belgium. We have not the smallest responsibility for what has befallen her.

In view of the mass of conflicting rumors concerning the war, which reached American attention, it was natural to take the neutral position adopted by Roosevelt, but it was inevitable, because of our racial diversities, that sympathies and opinions should soon differ widely. Within a short time, pamphlets were published containing the correspondence among the several European powers which had taken place just before the outbreak of the war. These and other documents were widely studied in the United States and led to the belief that England, France and Russia had been the real peace lovers and that Germany had been the aggressor.

The immediate economic effect of the war, in the meanwhile was the unsettlement of American financial and industrial affairs, but when the English navy obtained the mastery of the seas, the vessels of the Teutonic powers were driven to cover in neutral ports or kept harmlessly at home, and American trade with neutral nations and the Allies took on new life. Moreover the latter were in need of food, munitions and war materials of all kinds and they turned to Ameri-

can factories. Manufacturers who could accept "war orders" began at once to make fortunes; wages and prices rose, and it became evident that the United States would be profoundly affected by the struggle. England's control of the sea, moreover, early presented other problems. According to international practice, both sides in the European conflict might purchase munitions from neutrals, of which the United States was the largest, but on account of her weakness on the sea Germany was unable to take advantage of this opportunity, while the Allies constantly purchased whatever supplies were needed. At first, the German government protested through diplomatic channels, but our government was able to show not only that international practice approved the course followed by the United States, but also that Germany had herself followed it in previous wars.

There then followed propaganda on a large scale by German agents under the direction of Dr. Bernhard Dernburg, which was intended to influence public opinion to demand the prohibition of the shipment of munitions to the Allies. As this activity failed of its purpose, resort was then had to fraudulent clearance papers by which military supplies for German use were shipped from the United States without conforming to our customs regulations; bombs were placed in ships carrying supplies to England; fires were set in munitions factories; strikes and labor difficulties were fomented by German agents and at length the government had to ask for the recall of the Austrian Ambassador, Dr. Dumba, and the German military and naval *attachés* at Washington, Captain Franz von Papen and Captain Karl Boy-Ed.

Relations with the Allies, in the meantime, were far from satisfactory. The unprecedented scale on

which the war was being fought made huge supplies of munitions, food and raw materials such as copper and cotton absolute necessities. England was able to shut off the direct shipment into Germany of stores having military value, but this advantage was of little use so long as the ports of Holland and the Scandinavian countries were open to the transit of such supplies indirectly to Teutonic soil. When England attempted to regulate and restrict trade with these countries, the United States was the chief sufferer. Ships were held up and their cargoes examined—during 1915, for example, copper valued at $5,500,000 was seized while on the way from the United States to neutral nations. On December 26, 1914, the United States protested against the number of vessels that were stopped, taken into British ports and held, sometimes, for weeks; and in reply England pointed out the large increase in the amount of copper and other materials sent to countries near Germany, and declared that the presumption was strong that these stores were being forwarded to the enemy.

With her navy driven from the seas, Germany began to feel the effects of the blockade, and accordingly turned to the submarine as the hope for victory. On February 4, 1915, Germany declared the English channel and the waters around Great Britain a war zone, in which enemy merchant vessels would be destroyed "even if it may not be possible always to save their crews and passengers." Great Britain replied on March 11 by an order that merchant vessels going into Germany or out of her ports, as well as merchant vessels bound for neutral countries and carrying goods bound for the enemy, must stop at a British or allied port. At these points the cargoes were looked over and any war materials or goods which were regarded

as "contraband" were seized. Even though the owners were eventually reimbursed for the cargoes taken, the delay and the interference with trade were burdensome, and the United States accordingly protested that England was establishing an illegal blockade and that the United States would champion the rights of neutrals. Some slight retaliatory legislation aimed at the Allies was passed by Congress, but for the most part interest in this controversy died in the face of the growing irritation with Germany. The German declaration of February 4, 1915, in regard to submarine warfare caused an energetic protest by the United States on the ground that an attack on a vessel made without any determination of its belligerent character and the contraband character of its cargo would be unprecedented in naval warfare. The American note declared Germany would be held to a "strict accountability" for any injury to American lives and property. Nevertheless, the results of the submarine campaign began to appear at once, and in ten weeks sixty-three merchant ships belonging to various nations were sunk, with a loss of 250 lives. On May 7 the United States was astounded to hear that the passenger ship *Lusitania* had been torpedoed, and 1,153 persons drowned, including 114 Americans. The allied and neutral nations were profoundly stirred, and from that moment there grew an increasing demand in the United States for war with Germany. The President called for a disavowal of the acts by which the *Lusitania* and other vessels had been sunk, all possible reparation, and steps to prevent the recurrence of such deeds.

Within a few days of the *Lusitania* catastrophe and before the protest of our government was made public, President Wilson spoke in Philadelphia, and in the course of his remarks said, "There is such a thing

as a man being too proud to fight." The address had no relation to the international situation, and moreover the objectionable phrase carried an unexpected and different meaning when separated from its context and linked to the *Lusitania* affair. The words were seized upon by the President's critics, however, as an indication of the policy of the government in the crisis and were severely condemned. On the other hand the formal protest was received with marked satisfaction. It was understood to be the work of Wilson himself, who practically took over the conduct of the more important foreign affairs. When the German government replied without meeting the demands of the President, he framed a second note which brought the possibility of war so near that Secretary Bryan resigned rather than sign it.[1] A second reply merely prolonged the controversy and Wilson thereupon renewed his demands and declared that a repetition of submarine attacks would be regarded as "deliberately unfriendly." The statement brought the nation appreciably nearer war, but if the comments of the newspaper press may be relied upon as an index of public opinion, the President had again expressed the feelings of the people. In the meanwhile German submarine warfare was modified in the direction desired by the United States. Instead of sinking merchant vessels on sight and without warning, the commanders of submarines stopped them, visited and searched them, and gave the passengers and crews opportunity to escape. On August 19, 1915, the *Arabic* was sunk without warning, but the German government in conformity with its new policy disavowed the act, apologized and agreed to pay an indemnity for American lives lost. The negotiations

[1] Bryan remained in sympathy with the administration in other respects, and aided in the campaign of 1916.

concerning the *Lusitania* continued to drag on, but otherwise relations between Germany and the United States had reached the point where peace could be maintained if no further accident or provocation intervened.

Despite the general approval of the President's firm stand against Germany, there was an inclination in some quarters to do everything possible to avoid a conflict, even if the effort necessitated the relinquishment of rights that had hitherto been well recognized. In February, 1916, Representative McLemore introduced a resolution requesting the President to warn American citizens to refrain from traveling on armed belligerent vessels, whether merchantmen or otherwise and to state that if they persisted they would do so at their own peril. The House, according to the Speaker, was prepared to pass the resolution. The positions taken on this subject by the administration had not been entirely consistent, but the President was now holding that Americans had the right under international law to travel on such vessels and that the government could not honorably refuse to uphold them in exercising their right. "Once accept a single abatement of right," he asserted, "and many other humiliations would certainly follow, and the whole fine fabric of international law might crumble under our hands piece by piece." Moreover he felt that the conduct of international relations lay in the hands of the executive and that divided counsels would embarrass him in dealing with Germany. He therefore asked the House to discuss the McLemore resolution at once and come to a vote. Under this pressure the House gave way and tabled the resolution, ninety-three Republicans joining with 182 Democrats against thirty-three Democrats and 102 Republicans.

On March 24 the French channel steamer *Sussex* was sunk, with the loss of several Americans, and the submarine issue was thus brought forward again. The President accordingly appeared before Congress and reviewed the entire controversy. "Again and again," he reminded his hearers, "the Imperial German Government has given this Government its solemn assurances that at least passenger ships would not be thus dealt with, and yet it has again and again permitted its undersea commanders to disregard those assurances with entire impunity." He asserted that America had been very patient, while the toll of lives had mounted into the hundreds, and informed Congress that he was presenting a warning that "unless the Imperial German Government should now immediately declare and effect an abandonment of its present methods of warfare against passenger and freight carrying vessels this Government can have no choice but to sever diplomatic relations with the Government of the German Empire altogether." The *Lusitania* notes, the *Sussex* address and other speeches made by the President were read all over the United States and, indeed, throughout a great part of the world. He was attempting the novel and daring experiment of framing a foreign policy in public view, and was thus becoming the recognized spokesman of the neutral world.

Our international relations were in a disturbed and critical condition when the presidential campaign of 1916 came on. The Republicans and the Progressives planned to meet in Chicago on June 7 for the nomination of candidates, in the hope that the two parties might unite upon a single nominee and platform, and thus defeat Wilson who was sure to be the Democratic candidate. At first, however, the two wings of the Republican party were in complete disagreement. As

far as principles went they had not thoroughly recovered from the schism of 1912. For their candidate the Progressives looked only to Roosevelt, whom the Republicans would not have. Roosevelt himself refused to enter any fight for a nomination and announced, "I will go further and say that it would be a mistake to nominate me unless the country has in its mood something of the heroic." After conferences between Republican and Progressive leaders which failed to bring about unanimity, the Republican convention nominated Justice Charles E. Hughes of the Supreme Court, and the Progressives chose Roosevelt. Hughes was a reformer by nature, recognized as a man of high principles, courageous, able and remembered as a vigorous and popular governor of New York.

The Republican platform called for neutrality in the European war, peace and order in Mexico, preparedness for national defence, a protective tariff and women's suffrage. It also advocated some of the economic legislation favored by the Progressives in 1912. The Progressive platform laid most emphasis on preparation for military defence—a navy of at least second rank, a regular army of 250,000 and a system for training a citizen soldiery. It also urged labor legislation, a protective tariff and national regulation of industry and transportation. The Republican platform severely denounced the administration, but the Progressives stated merely their own principles.

In the course of his actions after the nomination, however, Roosevelt indicated his belief that the public welfare demanded the defeat of the Democrats. He declared that he did not know Hughes's opinions on the vital questions of the day and suggested that his "conditional refusal" be put into the hands of the National Progressive Committee and that a statement of the

Republican candidate's principles be awaited. If these principles turned out to be satisfactory then Roosevelt would not run; otherwise a conference could be held to determine future action. Subsequently Roosevelt issued a declaration expressing his satisfaction with Hughes, condemning Wilson and urging all Progressives to join in defeating the Democrats. Such an action would, of course, spell the doom of the Progressives as a political organization, but he declared that the people were not prepared to accept a new party and that the nomination of a third party candidate would merely divide the Republicans and ensure a Democratic victory. The action of Roosevelt commended itself to a majority of the National Committee, but a minority were displeased and supported Wilson.

The Democrats met at St. Louis on June 14 and renominated President Wilson in a convention marked by harmony and enthusiasm. For the first time in many years the party could point to a record of actual achievement and it challenged "comparisons of our record, our keeping of pledges, and our constructive legislation, with those of any party at any time." After recalling the chief measures passed during the administration, the party placed itself on record as favoring labor legislation, women's suffrage, the protection of citizens at home and abroad, a larger army and navy and a reserve of trained citizen soldiers.[1]

The campaign turned upon the question whether the country approved Wilson's foreign policy, rather than upon the record of the Democratic party and its platform of principles, and in such a contest each side had definite advantages. As the candidate of the party

[1] Despite Roosevelt's refusal to run, the Progressive Vice-Presidential candidate continued the campaign. The Socialist Labor party, the Socialist party and the Prohibitionists also presented candidates.

which had been in power most of the time for half a century, Hughes had the support of the two living ex-presidents and the backing of a compact organization with plenty of money. He had been out of the turmoil of politics for six years as a member of the Supreme Court and hence had not made enemies. His party was strong in the most populous portions of the country and in the East where dissatisfaction with the President's foreign policy was strongest. In particular the unhappy Mexican difficulty, which has already been mentioned, had not been settled, and it was an easy matter for Hughes to point out real or alleged inconsistencies and mistakes in his opponent's acts. Wilson had been elected four years before by a minority vote and had served through a term of years that had brought forward an unusual number of perplexing questions on which sincere men disagreed, and had, therefore, aroused a host of enemies. On the other hand, he had the advantage of being in power, and his supporters could urge the danger of "swapping horses while crossing a stream." He had a foreign policy which the people knew about, experience in the Presidency and a record for leadership in constructive accomplishment.[1]

The particular characteristics of the campaign were mainly the results of the activities of Hughes, Roosevelt and Wilson. In his speech accepting the nomination Hughes attacked the record of the administration in regard to the civil service, charged the President with interfering in Mexican affairs without protecting American rights, and asserted that if the government had shown Germany that it meant what it said by "strict accountability" the *Lusitania* would not have

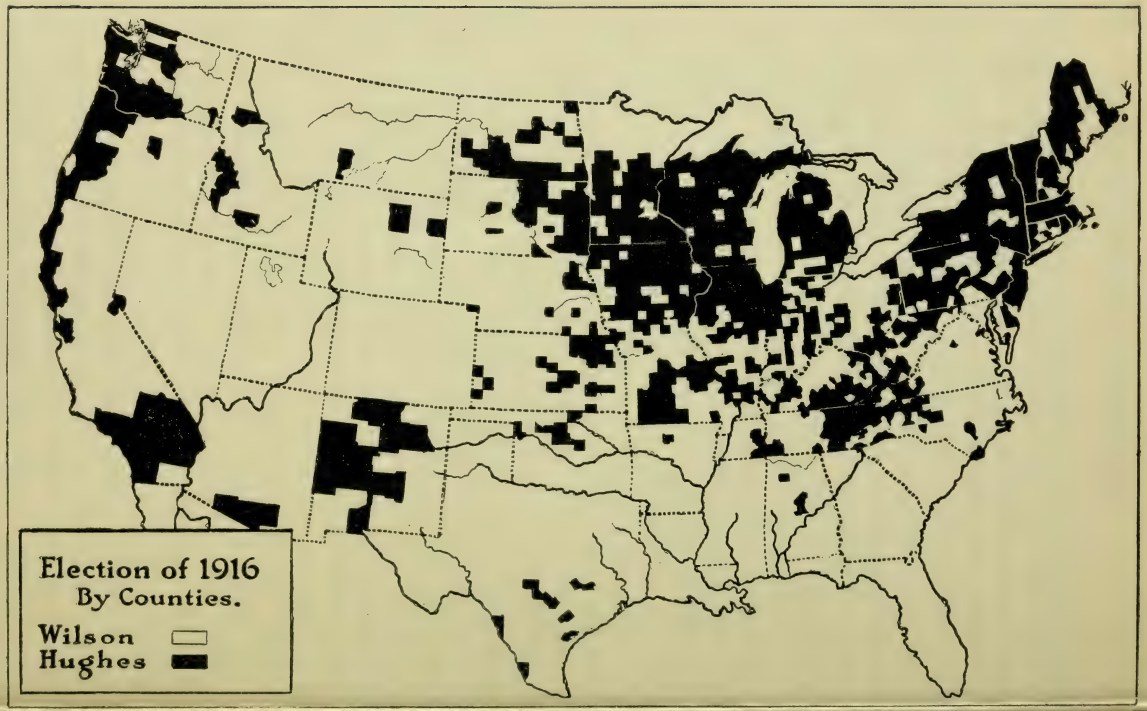
[1] The Republican campaign fund was $2,445,421 contributed by 34,205 persons; the Democratic fund, $1,808,348 given by 170,000 persons.

been sunk. He also announced that he favored a constitutional amendment providing for women's suffrage. Later he made extended stumping tours in which he reiterated his attacks on the administration, but he disappointed his friends by failing to reveal a constructive program. Roosevelt, meanwhile, assisted the Republican candidate by a series of speeches, one of the earliest of which was that of August 31, in Maine. That state held its local elections on September 11 and it was deemed essential by both parties to make every effort to carry it so as to have a good effect on party prospects elsewhere. Roosevelt's speech typified his criticisms of the administration. He declared that Wilson had ostensibly kept peace with Mexico but had really waged war there; he asserted that the President had shown a lack of firmness in dealing with Mexico and had kissed the hand that slapped him in the face although it was red with the blood of American women and children; he compared American neutrality in the European War with the neutrality of Pontius Pilate and believed that if the administration had been firm in its dealings with Germany there would have been no invasion of Belgium, no sinking of vessels and no massacres of women and children.

Wilson followed the example of McKinley in 1896 and conducted his campaign chiefly through speeches delivered from the porch of "Shadow Lawn," his summer residence in New Jersey. In this way he emphasized the legislative record of the Democrats, defended his foreign policy and attacked the Republicans as a party, although not referring to individuals. An important part of his strategy was an attempt to attract the Progressives to his support. He met his opponent's vigorous complaints in regard to his atti-

tude toward Mexico and the European War by pressing the question as to the direction in which the Republicans would change it. As Hughes was apparently unwilling to urge immediate war on Germany, he could only retort that a firm attitude in the beginning would have prevented trouble, and there the matter rested throughout the campaign. Supporters of Wilson also defended his foreign policy, summing up their contentions in the phrase, "He kept us out of war."

Foreign policy as a political issue was pressed temporarily into the background by the sudden demand of the railroad brotherhoods for shorter hours and more pay, threatening a nation-wide strike if their plea was unheeded. Neither party wished to risk the labor vote by opposing the unions, and the public did not desire a strike, much as it deprecated the attitude of the labor leaders in threatening trouble at this juncture. The President took the lead in pressing a program of railroad legislation, part of which was a law granting the men what they desired. This was immediately passed, although the remaining recommendations were laid aside. In the House the Republicans joined with the Democrats in putting the law through, although nearly thirty per cent. of the members refrained from voting at all, but in the Senate party lines were more strictly drawn. In many quarters the President was vigorously condemned on the ground that he had "surrendered" to a threat. Hughes joined in the dissent, but somewhat dulled its effect by giving no evidence of opposition until the law was passed and by stating that he would not attempt to repeal it if elected. During the closing days of the campaign Hughes issued a statement declaring that he looked upon the presidency as an executive office and stated that if chosen he would consider himself the administrative and executive head


Election of 1916
By Counties.
Wilson
Hughes

only, and not a political leader commissioned with the responsibility of determining policies. At the close of the campaign, also, the benefits of a protective tariff were urged as a reason for electing Hughes.

The result of the balloting on November 7 was in doubt for several days because the outcome hinged on the votes of California and Minnesota, either of which would turn the scale. In the end Wilson was found to have received 9,128,837 votes and Hughes, 8,536,380. The vote in the electoral college was 277 to 254. The outcome was remarkable in several respects. Each candidate received a larger popular vote than had ever before been cast; Wilson won without New York or any of the other large eastern states, finding his support in the South and the Far West; each side was able to get satisfaction from the result, the Republicans because their party schism was sufficiently healed to enable them to divide the House of Representatives evenly with their opponents, and the Democrats because their candidate was successful in states which elected Republican senators and governors by large majorities.

BIBLIOGRAPHICAL NOTE

In the nature of the case, any bibliography which concerns the events of so recent and important a period is of temporary value only. Ogg presents an excellent one, but many important volumes have been printed since 1917, his date of publication.

A reliable account of the chief events is contained in the *American Year Book*. The numerous biographies of President Wilson are written under the difficult conditions that surround the discussion of recent events. Available ones are: E. C. Brooks, *Woodrow Wilson as President* (1916), eulogistic, but contains extracts from speeches; W. B. Hale, *Woodrow*

Wilson, The Story of His Life (1912); H. J. Ford, *Woodrow Wilson* (1916); A. M. Low, *Woodrow Wilson, an Interpretation* (1918), a friendly and substantial analysis by an English newspaper correspondent; W. E. Dodd, *Woodrow Wilson and His Work* (1920), sympathetic, written in the spirit of the investigator, and the best life up to the time of its publication. Better than any biography is a careful study of Wilson's addresses and speeches, editions of which have been prepared by A. B. Hart, J. B. Scott, A. Shaw and others.

Periodical literature concerning the legislative program of the first Wilson administration is especially abundant. On the tariff, in addition to Taussig, consult: *Quarterly Journal of Economics* (1913), "The Tariff Act of 1913"; *Journal of Political Economy* (1914), "The Tariff of 1913." On the federal reserve system, *Political Science Quarterly* (1914), "Federal Reserve System"; *Quarterly Journal of Economics* (1914), "Federal Reserve Act of 1913"; *American Economic Review* (1914), "Federal Reserve Act"; *Journal of Political Economy* (1914), "Banking and Currency Act of 1913"; H. P. Willis, *The Federal Reserve* (1915); E. W. Kemmerer, *The A B C of the Federal Reserve System* (1918). On the anti-trust acts, *Political Science Quarterly* (1915), "New Anti-Trust Acts"; *Quarterly Journal of Economics* (1914), "Trust Legislation of 1914"; *American Economic Review* (1914), "Trade Commission Act." For the early stages of the European conflict see the references under Chapter XXV.

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CHAPTER XXV

THE UNITED STATES AND THE WORLD WAR

THE reelection of Wilson in November, 1916, could hardly be interpreted in any other light than as an approval of his patient foreign policy. Nevertheless, for the ensuing five months the problem of our international relations, and especially the question whether we ought to enter the World War, continued to divide the American people into hostile camps. The opponents of the President, led by Roosevelt, contended that Wilson was lacking in "patriotism, courage and foresight"; that the failure of the administration to protest against Germany's march across Belgium was due to timidity and a "mean commercial opportunism" which caused the President to act in the spirit of refusing to perform a duty unless there was a pecuniary profit to be gained thereby; and that the interchanges of diplomatic notes with the German government were "benevolent phrase-mongering" which did not accomplish anything. When Germany used the submarine to sink vessels despite the President's "strict accountability" note and when the administration did not then take forceful action against the offender, his opponents declared that the President meant "precisely and exactly nothing" by his words. Late in 1915 Wilson became convinced of the necessity of an increase in our means of defense, and in order to arouse Congress to action he went out into the Middle West where he addressed large audiences on

"preparedness." After long discussion Congress passed the National Defense Act by the provisions of which the military strength of the country was to be expanded to 645,000 officers and men during a period of five years. The President's conversion to preparedness was interpreted as a tardy recognition of an obvious duty, and his plan deprecated as no more than a "shadow program." And later, as his attitude became more warlike, the opposition declared that he had at last acted because of "pressure" and "criticism," rather than because of a definite and positive purpose of his own. In brief, then, a considerable portion of the country insisted upon America's early entrance into the European conflict, and judged Wilson to be a timid politician who lacked a courageous foreign policy and who was being driven toward war by the force of public opinion.

On the other hand, the traditional American disinclination to become entangled in foreign complications was the decisive force with the majority. In an address which the President delivered in New York he said that he received a great many letters from unknown and uninfluential people whose one prayer was, "Mr. President, do not allow anybody to persuade you that the people of this country want war with anybody." There were, moreover, Americans who still retained the traditional dislike of England and who hesitated to support an alliance with that nation; others did not relish association with Russia, which had long been looked upon as the arch-representative of autocracy; and others were indifferent or confused or inclined to the German side.

The attitude of the President, meanwhile, constantly found expression in addresses to Congress and the people, which were so widely read and discussed and

which had so great an influence in forming public opinion that the more prominent of them must be mentioned. Beginning with the proclamation of neutrality on August 18, 1914, and a speech at Indianapolis on January 8, 1915, he asserted the belief that the United States should remain neutral, not only because it was the traditional policy to stand aloof from European controversies but also because "it was necessary, if a universal catastrophe was to be avoided, that a limit should be set to the sweep of destructive war . . . if only to prevent collective economic ruin and the breakdown throughout the world of the industries by which its populations are fed and sustained." He also hoped that the time might quickly come when both sides would welcome mediation by a great people that had preserved itself neutral, self-possessed and sympathetic with the burdens of the warring powers. Before the close of 1915 he gave up his earlier opposition to military preparation, as has been seen, and while the project for a larger defensive force was being discussed, he made a significant address on May 27, 1916, to the League to Enforce Peace. With the causes and objects of the war, he declared, America was not concerned; the "obscure fountains" of its origins we were not interested to explore; in its spread, however, it had so "profoundly affected" America that we were no longer "disconnected lookers-on," but deeply concerned. "We are participants," he asserted, "whether we would or not, in the life of the world. The interests of all nations are our own also. We are partners with the rest." Oddly enough the statement that the origins of the war and the purposes for which it was started did not concern us was widely circulated, and misinterpreted as indicating a lack of sympathy with the ideals for which the Allies were fighting at the time

of the speech, while the remainder of the address, which was far more significant, was largely overlooked. Nevertheless the declaration that the war had become our concern was an important part of Wilson's series of utterances on the issues of the day, and demands emphasis at this point because the President was representative, in holding this opinion, of a great body of his countrymen. The conviction that the European war had become our affair was deepened in the minds of many Americans when news arrived late in 1916, that the Teutonic military authorities were seizing and deporting Belgian workmen and compelling them to labor in German fields and factories.

In December, President Wilson again claimed the attention of the world by his reply to a proposal by Germany that peace negotiations be entered upon. He declared—and his note was sent to all belligerents—that the leaders of the two sides had stated their objects in general terms only:

> But, stated in general terms, they seem the same on both sides. Never yet have the authoritative spokesmen of either side avowed the precise objects which would, if attained, satisfy them and their people that the war had been fought out.

The support of America in the war had long since become the great stake for which both sides in the conflict were playing, and the crisis of the game was at hand. On January 22, 1917, Wilson addressed the Senate and stated the results of his action. The reply of the Germans, he declared, had merely stated their readiness to meet their antagonists in conference to discuss terms of peace; the Allies had detailed more definitely the arrangements, guarantees and acts of reparation which would constitute a satisfactory set-

tlement. He proceeded then to add that the United States was deeply concerned in the terms of peace which would be made at the close of the conflict, and to enumerate some of those for which Americans would be most insistent: equality of rights among nations; the recognition of the principle that territories should not be handed about from nation to nation without the consent of the inhabitants of the territories; an outlet to the sea for every nation where practicable; the freedom of the seas; and the limitation of armaments. The interchange of notes had made two things clear; that the concern of the United States in the war was intimate, and that the people of this country would know definitely the purposes of the conflict before they decided to enter it.

On January 31, Germany announced an extension of her submarine warfare. A wide area surrounding the British Isles, France, and Italy, and including the greater part of the eastern Mediterranean Sea was declared to be a barred zone. All sea traffic, neutral as well as belligerent, the note warned, would be sunk, except that one American ship would be allowed to pass through the zone each week provided that it followed a designated, narrow lane to the port of Falmouth, England, that it was marked with broad red and white stripes, and carried no contraband. The President promptly broke off relations with Germany, sent the German ambassador home and appeared before Congress to state to that body and to the people the reasons for his decision. He recounted the substance of his earlier correspondence with Germany in regard to submarine warfare and recalled the promise of the German government that merchant vessels would not be sunk without warning and without saving human lives. He declared that the American gov-

ernment had no alternative but to sever relations, although refusing to believe that Germany would ruthlessly use the methods which she threatened, until convinced of her determination by "overt acts." Information of the move made by the United States was sent to American diplomatic representatives in neutral countries with the suggestion that they take similar action. Shortly afterward the President requested Congress to pass legislation enabling him to supply armament and ammunition to merchant vessels, and an overwhelming majority of both houses was ready to accede to the request. A small minority in the Senate, however, was able, under existing rules, to prevent Congressional action, although the President found authority in existing statutes and was able to proceed.[1]

Every important event in March, 1917, tended toward war between the United States and Germany. On the first day of the month the State Department made public a note from the German Secretary of State to the German minister in Mexico which suggested a German-Mexican alliance in case of the entry of the United States into the war. Germany was to contribute financial support to Mexico and the latter was to recover Arizona, New Mexico and Texas, which had been lost to the United States many years before. Knowledge of this intrigue gave a distinct impetus to the war spirit in all parts of the country. On March 5, President Wilson was inaugurated for the second time and took occasion to state again the attitude of the United States toward the war. Although disclaiming any desire for conquest or advantage, and

[1] As a result of this incident the Senate decided to limit somewhat its rule allowing unlimited debate. Under the "closure" rule adopted March 8, 1917, a two-thirds majority may limit discussion on any measure to one hour for each member.

reaffirming the desire of the United States for peace, he expressed the belief that we might be drawn on, by circumstances, to a more active assertion of our rights and a more immediate association with the great struggle. Once more he stated the things for which the United States would stand whether in war or in peace: the interest of all nations in world peace; equality of rights among nations; the principle that governments derive their just powers from the consent of the governed; the freedom of the seas; and the limitation of armaments. Later in the month information reached America that there had been a revolution in Russia, that the Czar had been compelled to abdicate and that a republican government had been established. The news was gladly heard in the United States as it seemed to presage the overthrow of autocracy everywhere. On March 22, the new Russian government was formally recognized by the United States and later a loan of $100,000,000 was made.

In the meanwhile the "overt acts" which the President and the American people hoped might not be committed became sufficiently numerous to prove that Germany had indeed entered upon the most ruthless use of the submarine. Seven American vessels were torpedoed, with the loss of thirteen lives, and many more vessels of belligerent and neutral nations were sunk, in most cases without warning. The President accordingly summoned Congress to meet in special session on April 2. When that body assembled he again and for the last time explained the character of German submarine warfare, charging that vessels of all kinds and all nations, hospital ships as well as merchant vessels were being sunk "with reckless lack of compassion or of principle." International law, he complained, was being swept away; the lives of non-

combatant men, women and children destroyed; America filled with hostile spies and attempts made to stir up enemies against us; armed neutrality had broken down in the face of the submarine, and he therefore urged Congress to accept the state of war which the action of Germany had thrust upon the United States. Such action, he believed, should involve the utmost cooperation with the enemies of Germany—liberal loans to them, an abundant supply of war material of all kinds, the better equipment of the navy and an army of at least 500,000 men chosen on the principle of universal liability to service. An important part of the President's address was that in which he distinguished between the German people and the German government. With the former, he asserted, we had no quarrel, for it was not upon their impulse that their government acted in entering the war. But the latter, the Prussian autocracy, "was not and never could be our friend." Once more he disclaimed any desire for conquest or dominion:

> We are glad, . . . to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included: for the rights of nations great and small and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty.

The response of Congress was prompt and nearly unanimous. In the House by a vote of 373 to fifty, and in the Senate by eighty-two to six, a resolution accepting the status of war was quickly passed and proclaimed by the President on April 6.[1] His position

[1] War was declared against Austria on December 7, 1917. The United States was followed immediately by Cuba and Panama, and

was a strong one. His patience and self-control, to be sure, had been carried to the extreme where they seemed like cowardice and lack of policy to the more belligerent East; but they had convinced the more pacific West that he could not be hurried into war without adequate reasons. All sections and all parties were united as the country had never been united before. His insistence that the United States had no ulterior motives in entering the war and his constant emphasis on ideals and the moral issues of the conflict placed the struggle on a lofty plane, besides giving him and his country at that time a position of leadership in the world such as no man or nation had ever hitherto enjoyed. Moreover the evolution through which the President went, from adherence to the traditional aloofness from European affairs to throwing himself enthusiastically into the conflict, was an evolution through which most of his countrymen were passing. Every public address which the President delivered, every message to Congress, every request to the legislative branch of the government was read widely, disagreed to or received with enthusiasm in one quarter or another and discussed everywhere with interest and energy. The result was the education of America in a new foreign policy. It was no slight matter to discard the traditions of a century and a quarter, and the brevity and inconsiderable size of the controversy was the marvel, rather than its length and bitterness.[1]

before the close of the year by Siam, Liberia, China and Brazil. Many other Central and South American states severed relations with Germany and before the close of the struggle several of them declared war.

[1] The purpose and effect of Wilson's patient foreign policy were briefly expressed by Joseph H. Choate, a Republican advocate of early entry into the war, in a speech in New York on April 25, 1917. Choate declared that a declaration of war after the sinking of the *Lusitania* would have resulted in a divided country and remarked: "But we now

America had need of her unity and her enthusiasm. The size of the conflict, the number of men that must be raised and trained, the quantity of materials required, the amount of money needed, and, above all, the mental readjustment necessary in a nation that had hitherto buried itself in the pursuits of peace—all these considerations emphasized the importance of the task that the United States was undertaking. Into Washington there poured a bewildering stream of offers of assistance; organizations had to be built up over night to take hold of problems that were new to this country; men found themselves hurried into tasks for which they must prepare as best they might, and under crowded working conditions, changing circumstances and confusion of effort that beggar description. In many cases, America could learn valuable lessons from European experience, and to that end commissions of eminent statesmen and soldiers were sent to this country to give us the benefit of their successes and failures.

An important step had already been taken in the creation of the Council of National Defense on August 29, 1916, an act which indicated a realization that the United States might at any time be drawn into the European struggle. The body was composed of six members of the Cabinet, with the Secretary of War as chairman, and was assisted by an Advisory Commission composed of seven experts in the various industries that would be most essential to the prosecution of the war. The Council furnished the means of coordinating the industries of the country and getting them into touch with the executive departments of the government. State councils of defense were likewise

see what the President was waiting for and how wisely he waited. He was waiting to see how fast and how far the American people would keep pace with him and stand up for any action that he proposed.

organized to arouse the people to the performance of their share in the nation's work, to circulate information and to assist the several agencies of the federal government. A National Research Council mobilized the scientific talent of the country and brought it to bear on certain of the problems of warfare. A Naval Consulting Board examined inventions offered to the Navy Department. The Committee on Public Information furnished condensed war news to town and country papers, circulated millions of pamphlets explaining the causes of the war and upholding America's purposes in it, and directing speakers who aided in campaigns for raising money and educating the people in their duty during the crisis. The War Industries Board developed plans for the production of the multifarious supplies needed. The United States Shipping Board took hold of the problem of building sufficient ships to transport troops and cargoes, and to replace vessels sunk by submarines. By means of a Committee on Labor the laboring men gave their support to the conduct of the war and agreed to delay controversies until the war was over.

The exhausted condition of the supplies of food among the Allies, and the size of the armies which America decided to raise, made the Food Administration one of importance. At the time when the United States entered the war there was a dangerous shortage of food in Europe due to the decrease in production and to the lack of the vessels necessary to bring supplies from distant parts of the world. The problem centered mainly in wheat, meat, fats and sugar. The demand upon the United States was not only large but increasing. Accordingly, legislation was passed on August 10, 1917, which made it unlawful to destroy or hoard food; it provided for the stimulation of agri-

culture; and it authorized the President to purchase and sell foods and fix the price of wheat. Wilson appointed as the chief of the Food Administration Herbert C. Hoover, whose experience with the problem of Belgian relief enabled him to act promptly and effectively. Hoover's one great purpose was to utilize all food supplies in such a way as would most help to win the war. He cooperated with the Department of Agriculture which had already started a campaign for stimulating the cultivation of farms and gardens on all available land. Food administrators were appointed in the states and local districts. Speakers, posters, libraries and other agencies were utilized to urge the people to eat less wheat, meats, fats and sugar in order that more might be exported to the Allies. Millions of housewives hung cards in their windows to indicate that they were cooperating with the United States Food Administration. "Wheatless" and "meatless" days were set apart. These voluntary efforts were supplemented by government regulation, and dealers in food products were compelled to take out federal licenses which enabled the Administration to control their operations and to prevent prices from going to panic levels. The Food Administration established a Grain Corporation which bought and sold wheat; it placed an agency in Chicago to buy meat for ourselves and the Allies; it called a conference of the sugar refiners, who agreed to put in its hands the entire supply of that commodity. In a word, by stimulating voluntary efforts and by means of government regulations, the Food Administration increased production, decreased consumption, and coordinated the purchase of food for the army, the navy, the Allies, the Red Cross and Belgian relief. The Food Administration was hardly established before it

became necessary to organize a Fuel Administration to teach economy in the use of coal, to stimulate production, adjust disputes between employers and employees, fix prices and control the apportioning of the supply among the several parts of the country.

The vital relation of the transportation system of the country to the winning of the war was apparent at the start. As soon as war was declared, therefore, nearly 700 representatives of the railroads formed a Railroads' War Board to minimize the individual and competitive activities of the roads, coordinate their operation, and produce a maximum of transportation efficiency. The attempt of the railroad executives, however, quickly broke down. In the first place, as has been seen, our entire body of railroad legislation is based upon the idea of separating the several systems and compelling them to compete rather than cooperate. The habits and customs thus formed could hardly be done away with in an instant. In the second place the cost of labor and materials was constantly mounting, and the demand for more equipment was insistent. The railroads could meet these greater costs only by raising rates, a process which involved obtaining the assent of the Interstate Commerce Commission and required a considerable period for its accomplishment. The roads were also embarrassed by an unprecedented congestion of traffic on the eastern seaboard, from which men and cargoes must be shipped to Europe. Accordingly, on December 26, 1917, the President took possession of the railroad system for the government and appointed the Secretary of the Treasury, William G. McAdoo, as Director General. As rapidly as possible the railroads were merged into one great system. The entire country was divided into districts at the head of which were placed experienced railroad

executives. Terminals, tunnels and equipment were used regardless of ownership in the effort to get the greatest possible service out of existing facilities. The passenger service was greatly reduced in order to free locomotives and crews for freight trains, duplication of effort was done away with where possible, officials who were not necessary under the new plan were dropped, and equipment was standardized. Existing legislation allowed the government to change freight and passenger rates, and on May 25, 1918, these were considerably raised. The winter of 1917–1918 was memorable for its severity, and placed great difficulties in the way of the railroads; nevertheless, between January 1, 1918, and November 11 of the same year nearly six and a half million actual and prospective soldiers were carried for greater or smaller distances.

An important part of American preparation for war was the attention paid to the "*morale*" organizations, which were designed to maintain the courage and spirit of the fighting man. As far as legislation could do it, the most flagrant vices were kept away from the camps. Moreover the Commissions on Training Camp Activities attempted to supply wholesome entertainment and associations. Under their direction, various organizations established and operated theatres, libraries and writing-rooms, encouraged athletics in the camps, and offered similar facilities for soldiers and sailors when on leave in towns and cities near by. The Red Cross conducted extensive relief work both in this country and abroad; surgical dressings were made, clothing and comfort kits supplied, and money contributed. In France, Belgium, Russia, Roumania, Italy and Serbia the Red Cross conducted a fight against the suffering incident to war.

The legislation which established the system of al-

lotments, allowances and War Risk Insurance was also designed in part to maintain the *morale* of the army and navy. The pay of the "enlisted man" or private was $30.00 per month. In the case of men with dependents, an "allotment" of $15.00 was to be sent home and the government thereupon contributed an "allowance" which normally amounted to $15.00 or more, and was graded according to the number of the man's dependents and the closeness of their relationship to him. Provision was made also for compensation for officers and men injured or disabled in the line of duty, and for training injured men in a vocation. In addition, the War Risk Insurance plan provided means by which both officers and men could at low cost take out government insurance against death or total disability. In this way, it was hoped, some of the distresses of war would be alleviated so far as possible and a repetition of the pension abuses of the Civil War somewhat guarded against.

The total direct money cost of the war from April, 1917, to April, 1919, was estimated by the War Department at $21,850,000,000, an average of over a million dollars an hour, and an amount sufficient to have carried on the Revolutionary War a thousand years. In addition, loans were extended to the Allies at the rate of nearly half a million dollars an hour. This huge amount was raised in part through increased taxes. Income taxes were heavily increased; levies were made on such profits of corporations as were in excess of profits made before the war, during the three years 1911–1913; additional taxes were laid upon spirits and tobacco, on amusements and luxuries; and the postage rates were raised. In part, also, the cost of the war was defrayed through loans. A portion of the amount borrowed was by the sale of War Savings

Stamps. This expedient was designed doubtless not merely to encourage persons of small means to aid in winning the war—a beginning could be made with twenty-five cents—but also to encourage thrift among all classes. Most of the borrowed money, however, was raised through the five "Liberty Loans," a series of popular subscriptions to the needs of the government. In each case the government called upon the people to purchase bonds, ranging from two billions at first to six billions at the time of the fourth loan. There were four and a half million subscribers for the first loan, but after a little experience the number was readily increased until 21,000,000 people responded to the fourth call. Popular campaigns such as never had been seen in America, campaigns of publicity, house-to-house canvassing and appeals to the win-the-war spirit resulted in unprecedented financial support. Isolated communities in the back country and people of slender means in the cities, no less than the great banks and wealthy corporations cooperated to make the Liberty loans of social and economic as well as financial importance.

Evidence seems to be sufficient to indicate that the resources of the United States were thrown into the conflict none too soon. When it was determined to place armed guards on merchant ships, Rear Admiral W. S. Sims was sent to Great Britain to keep the Navy Department informed on problems connected with the possible entry of the United States into the conflict. After the American declaration of war the Admiral was placed in charge of the naval forces of the United States abroad and thereafter worked in close cooperation with our European associates. The German submarine policy had been put fully into effect; no solution of the submarine menace had been reached; and

English officials were fearful that England could not last longer than November 1. In taking this view the British were probably in harmony with the Germans who expected to crush England before the weight of the United States could be felt. Although insufficient for so great a conflict, the American navy was thoroughly prepared for active service, and six destroyers were sent to European waters for a prolonged stay, within eighteen days of the declaration of war. This early force was quickly followed by others until, at the close of the war, 5,000 officers and 70,000 enlisted men were serving abroad. A three-year naval construction program which had been adopted in 1916 was pushed forward and somewhat expanded; new craft were commandeered wherever they could be found; private citizens loaned vessels or leased them at nominal sums; and German ships interned in American ports were taken over. Existing stations for the training of seamen were enlarged and new ones established, and schools were set up in colleges and at other points for radio operators, engineers and naval aviators. By such means the number of vessels in commission was increased from 197 to 2,003 and the personnel from 65,777 to 497,030.

The most dreaded enemy of the navy, the submarine, was successfully met by two devices. When transports and merchant-vessels were being sent across the ocean, they were gathered into groups or convoys and were protected by war vessels, especially torpedo-boat destroyers. The depth charge was also used with telling effect. This consisted of a heavy charge of explosive which was placed in a container and dropped into the sea where the presence of a submarine was expected. The charge was exploded at a pre-determined depth by a simple device, and any under-seas craft

within 100 feet was likely to be destroyed or to have leaks started that would compel it to come to the surface and surrender.

Aside from combatting the submarine, the greatest activity of the navy was the transportation of men and supplies to France. First and last more than 2,000,000 troops were carried to Europe, and although Great Britain transported more than half the men, yet 924,578 made the passage through the danger zones under the escort of United States cruisers and destroyers. The cargo fleet was substantially all American. The transportation of supplies alone required the services of 5,000 officers and 29,000 enlisted men, and involved the accumulation of a vast fleet, the acquisition of docks, lighters, tugs, and coaling equipment, as well as the establishment of an administrative organization, at the precise time when the shipping facilities of the world were being strained to the breaking point by submarines.

On the other side of the ocean naval bases were established in England, Ireland, Scotland, France and Italy; a considerable force operated from Gibraltar and others from Corfu, along the Bay of Biscay, in the North Sea and at Murmansk and Archangel. Besides cooperating with the navy of the Allies in keeping the Germans off the seas, the American navy laid about four-fifths of the great mine barrage which extended from the Orkney Islands to Norway, a distance of 230 miles. This astonishing enterprise—America alone laid 56,000 mines—together with a similar chain laid across the Strait of Dover was intended to pen the submarine within the North Sea.

In the main the raising of an army for European service rested upon the act of May 18, 1917. It provided for the increase of the regular army from ap-

proximately 200,000 to 488,000; for the expansion of the strength of the National Guard; and for the selection of a National Army by draft from men between the ages of twenty-one and thirty years inclusive. The determination to raise a draft army was based upon the belief that in this way successive and adequate supplies of men could be found without disproportionate calls on any section of the country and without undue disturbance of the industrial life of the nation. Although the plan ran counter to American practice during most of our history, the draft army became deservedly popular as a democratic and efficient method of finding men. Officers were supplied mainly through training camps, of which the best known was that at Plattsburg, New York. A novelty in the new army was a plan for the appointment and promotion of officers on a scientific rating system which took account of ability and experience, thereby doing away with some of the favoritism formerly connected with our military system. At a later time an organization was perfected by which enlisted men were grouped according to their ability and occupations, so that each division of the army might have assigned to it the number of mechanics, carpenters, clerks and the like that it might require. For the housing and training of the enlarged National Guard, sixteen tent-camps were established in the South; and for the National Army, sixteen cantonments, built of wood and capable of housing 40,000 men each. A cantonment comprised 1,000 to 1,200 buildings, and was virtually a city with highways, sewers, water supply, laundries and hospitals.[1] The problem of obtaining supplies was as great as that

[1] An official of the War Department estimated that the lumber used in the sixteen cantonments if made into sidewalks would go four times around the world.

of housing and training the army. An entire city was erected in West Virginia for the making of part of the smokeless powder required; the British Enfield rifle was modified to use American ammunition so that machinery already making arms for England could be utilized with a minimum of change; and European experience having indicated the value of the machine gun, a new and improved type was invented by John M. Browning. In many cases, however, it was impossible immediately to equip both the soldiers in training here, and those who could be sent abroad. Hence surplus equipment of certain kinds was supplied by France and England. Furthermore, actual combat had emphasized the vital importance of aviation and had developed warfare with poisonous gases and with tanks, so that it became necessary to establish new branches of the service to meet these needs.

Shortly after the declaration of war, General John J. Pershing, who had already experienced active operations in the Philippines and on the Mexican border, was sent to France to act as Chief of the American Expeditionary Force—the A. E. F. as it was commonly called. General Pershing was followed by a division of regulars in June, 1917, and by the "Rainbow" division of the National Guard, a body composed of guardsmen from various states so as to distribute widely the honor of early participation in the war. In France the American troops were detailed either for the Service of Supply or for combat. The former, with headquarters at Tours, developed port facilities, constructed ship berths, built railroads and warehouses, and took care of the multifarious duties that have to be performed behind the lines. Divisions destined for combat were usually given one or two months of training in France before going to the front, and

were then kept for another month in a quiet sector before engaging in more active service.

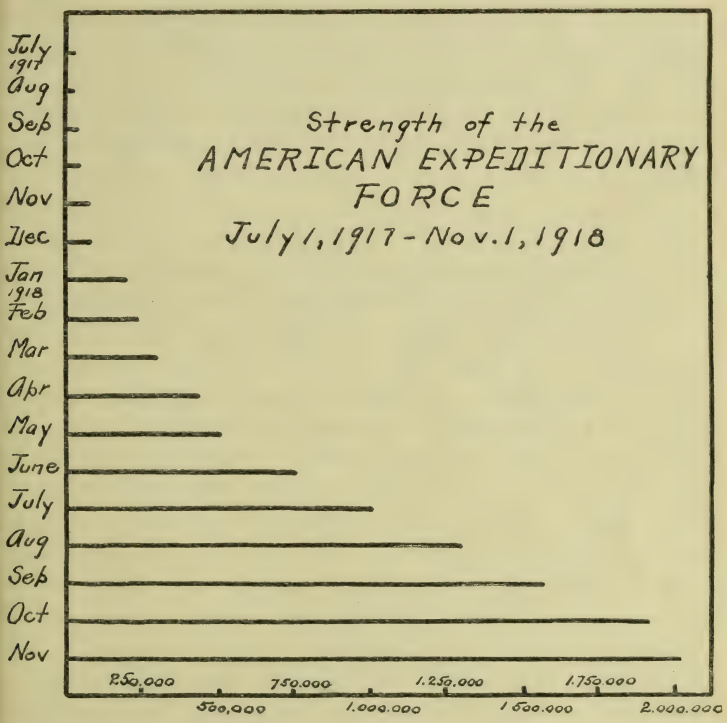


Between April, 1917, when America declared war, and approximately a year later when her weight began

to be felt, the Allies suffered reverses that were thoroughly disheartening and were almost disastrous. Russia, who had conducted a powerful offensive in 1916, began to retreat in the summer of 1917 and was thereafter no longer a military factor.[1] Italy had driven back the Austrians in the summer of 1916, but in the fall of 1917 was compelled to conduct a retreat that became all but a disaster. Allied conferences were accordingly held in Paris in November and December, 1917, for the purpose of bringing about closer unity in the prosecution of the war. Nation after nation, on the other hand, had severed relations or declared war on the Teutonic powers until a great part of the world had ranged itself on the side of the Allies. In March, 1918, the Germans precipitated a series of crises—the final ones as it turned out. In that month they began a terrific drive on a fifty-mile front against their opponents in the western theatre of the war. In order to meet this thrust the Allies decided to give over the supreme command of all their forces to Marshal Ferdinand Foch, chief in command of the French army, and General Pershing thereupon offered him all the American troops in France. American efforts were redoubled, in the face of the new danger, and forces were transported across the ocean in numbers which had not been anticipated and which soon began to give the Allies a substantial advantage. One vessel, the *Leviathan*, landed in France the equivalent of a German division each month. The enemy, nevertheless, continued to advance and on May 31 were at Château-Thierry, only forty miles from Paris, where the American Third Division assisted in preventing any further

[1] Roumania had entered the conflict in August, 1916, but had been immediately overrun, her capital Bucharest taken in December, and that country rendered no longer important before the entrance of America.

forward movement. The leading military experts in the United States, meanwhile, with the support of a large portion of the public were demanding a still larger army and the Secretary of War, Newton D. Baker, accordingly laid before Congress a plan which



developed eventually into the "Man Power" act of August 31, 1918. It changed the draft ages and added more than 13,000,000 registrants to the available supply of men. A clause of this law, designed in part to provide further supplies of officers, allowed the Secretary of War to send soldiers to educational institutions

at the public expense, thus establishing the Students' Army Training Corps.[1]

At the time when General Pershing placed his forces at the disposal of Marshal Foch, the Americans numbered 343,000 and were used mainly to relieve the French and British at quiet parts or "sectors" on the western front. In April, 1918, however, the First Division was placed in a more active position, and on May 28 took Cantigny; the Second Division was on the Marne River early in June, and later in the month helped prevent a German advance at Belleau Wood. Other forces were sent to operate with the British, a regiment was sent to Italy, and a small force to northern Russia and Siberia. In mid-July the Germans renewed their attacks but were shortly turned back again at Château-Thierry, and Marshal Foch judged this to be the time for the Allies to make a general offensive movement. On the 18th the First and Second Divisions, with picked French troops, made a successful drive toward Soissons. On August 30 the Americans were given a permanent portion of the front, and two weeks later came the first distinctly American action in the reduction of the St. Mihiel salient—a wedge driven by the Germans into the allied line. Infantry, artillery, aircraft, tanks and ambulances were gathered—about 600,000 men all told—mostly under cover

[1] The earlier draft law resulted in about 11,000,000 registrants. The draft ages were 21–30 years. Under the later law the ages were 18–45.

The so-called Training Detachments had already been established, providing for the training of mechanics, carpenters, electricians, telegraphers, and other necessary skilled artisans at a number of colleges and scientific institutions.

Almost coincidently with the expansion of the army came an epidemic of the Spanish influenza. Hitherto the health of the army had been extraordinarily good, but the epidemic was so widespread and so malignant in its attack that during eight weeks there were more than twice as many deaths as in the entire army for the year preceding.

of darkness. Preceding the drive a heavy artillery fire was directed upon the enemy for four hours, during which brief period thirty times as many rounds of ammunition were fired as were used by the Union forces at Gettysburg in three days. Then at five o'clock in the morning, on September 12, the troops fell upon an enemy which had been demoralized by the artillery, and routed them. The American losses were 7,000—injuries for the most part—and the gains, 16,000 prisoners, 443 guns and a great quantity of war materials, together with an advantageous position for further advance. The "American Army was an accomplished fact."

The most important action in which the Americans participated was the Meuse-Argonne offensive. The goal of this attack was the Carignan-Sedan-Mézières railroad, which ran parallel to the front and comprised the main supply line of the enemy. The drive began late in September and continued with greater or less intensity and with increasing success until November 11, when it became evident that the Germans were in serious difficulties. Their line was cut, and only surrender or an armistice could prevent thorough-going disaster.[1]

While the allied armies were first stemming the German advance and later making their counter-offensive, the statesmen were attempting to preserve the morale of the Allies and break down that of the enemy by means of a wide-spread peace offensive. Because of

[1] By November 11, 26,059 prisoners and 847 guns had been captured and at one point near Sedan the American advance had covered twenty-five miles. 1,200,000 American troops had been engaged and the weight of the ammunition fired was greater than that used by the Union armies during the entire Civil War. In November the American army held twenty-two per cent. of the western front. The losses of the A. E. F. during the entire period of its activities up to November 18, 1918, were by death 53,160; the wounded numbered 179,625.

his position as President of the United States and his skill in the expression of the purposes of the Allies, Wilson became by common consent the spokesman of the enemies of Germany, much as he had earlier been the representative of the neutral nations. In August, 1917, the Pope proposed peace on the basis of "reciprocal condonation" for past offenses, and the reciprocal return of territories and colonies. In reply Wilson contended that the suggested settlement would not result in a lasting peace. Peace, he believed, must be between peoples, and not between peoples on the one hand and "an ambitious and intriguing government" on the other. "We cannot," he declared, "take the word of the present rulers of Germany as a guarantee of anything that is to endure unless explicitly supported by such conclusive evidence of the will and purpose of the German people themselves as the other peoples of the world would be justified in accepting." The reply continued, of course, the attempt made in the address to Congress calling for a declaration of war—the attempt to drive a wedge between the German people and their rulers, but for the moment the attempt was fruitless.

On January 8, 1918, President Wilson again explained the attitude of the United States, in an address to Congress in which he gave expression to the famous "fourteen points." "The program of the world's peace," he stated, must include: the beginning of an era of "open diplomacy" and the end of secret international understandings; the freedom of the seas in peace and war; the removal of economic barriers between nations; the reduction of armaments; the impartial adjustment of colonial claims; the evacuation of territories occupied by Germany, such as Russia, Belgium, France and the Balkan states; the righting of

the wrong done to Alsace-Lorraine, the provinces wrested from France by Germany in 1871; an opportunity for peoples subject to Austria and Turkey to develop along lines chosen by themselves; the establishment of a Polish state which should include territories inhabited by indisputably Polish populations; and an association of nations to guarantee the safety of large and small states alike. Both Austria and Germany replied to this address, but not in a manner to make possible a cessation of warfare. In setting these replies before Congress, as well as in later speeches both to that body and to public audiences, the President reiterated the peace program of the Allies.

In the meanwhile conditions in the Teutonic countries were reaching a serious point. Germany, Austria, Bulgaria and Turkey were facing an enraged world. Their man power was almost exhausted, the numbers of killed and wounded in Germany alone being estimated at 6,000,000 men; famine, agitation and mutiny were at the door and revolution on the horizon; food was scarce and of poor quality; Austria was disintegrating; signs were evident of dissensions in the German government and suggestions were even made that the Kaiser abdicate. Allied pressure in the field together with insistent emphasis on the Allied distrust of the German government were at last having their combined effect; the Teutonic morale was breaking down. On October 4 the German chancellor requested President Wilson to take steps toward peace on the basis of the "fourteen points." An interchange of notes ensued which indicated that the Teutonic powers were humbled and that the Chancellor was speaking in behalf of the people of Germany. The Inter-allied Council then met at Versailles and drew up the terms of an armistice which were delivered to Germany on

November 7. That nation was already in a tumult, in the midst of which demonstrations in favor of a republic were prominent, and while the German government was considering the terms of the armistice the Kaiser abdicated and fled to Holland, and a new cabinet was formed with a Socialist at the head. The end was evidently at hand and on November 11 the world was cheered with the news that Germany had signed the armistice and the war was over.[1]

As far as the United States was concerned the questions of greatest public interest after the close of the conflict, fell into two categories: one connected with the complicated question of the exact terms of settlement between the Allies and the Teutonic powers, including modifications of the foreign policy of the United States; the other, that concerning the readjustments necessary in the internal affairs of the nation—economic, social and moral, as well as political. Any adequate discussion of these matters requires so much more information and perspective than can now be had, that only the barest outlines can be given.

The conference for the determination of the settlements of the war was to meet in Paris. The American representatives were to include Robert Lansing, the Secretary of State, Henry White, who had represented the United States in many diplomatic matters, especially as ambassador to Italy and to France, Colonel Edward M. House, a trusted personal advisor of the President, and General Tasker H. Bliss, the American military representative on the Inter-allied Council. President Wilson himself was to head the delegation.

In November, 1918, shortly before the departure of

[1] An armistice had been signed with Turkey on October 31, and with Austria on November 4.



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the President for Paris, occurred the Congressional elections, which were destined to have an important effect on the immediate future. Until late October the usual display of partisan politics had been, on the surface at least, uncommonly slight. On the 25th, however, the President urged the country to elect a Democratic Congress, declaring that the Republican leaders in Washington, although favorable to the war, had been hostile to the administration, and that the election of a Republican majority would enable them to obstruct a legislative program. The Republicans asserted that the request was a challenge to the motives and fidelity of their party, and a partisan and mendacious accusation. As a result of the ensuing contest the control of both Senate and House were won by the Republicans. It is impossible to judge whether the President's appeal recoiled seriously against his own party or whether the tendency to reaction against the administration at mid-term, which has been so common since the Civil War, was the decisive force. In any case, however, Wilson was compelled to go to Paris encumbered with the handicap of political defeat at home.

Nevertheless he was received with unbounded enthusiasm by the French people and at once became one of the central figures among the leaders at Paris. Not only did the American delegates work in conjunction with the representatives of the Allies, but Wilson became a member of an inner council, the other participants in which were Premier Lloyd George of England, Premier Georges Clemenceau of France and Premier Orlando of Italy. The "Big Four," as the group was known, led the conference and made its most important decisions. The day of the aloofness of the United States from international affairs, which had

been ended only temporarily by the war with Spain, was apparently brought to a final close.[1]

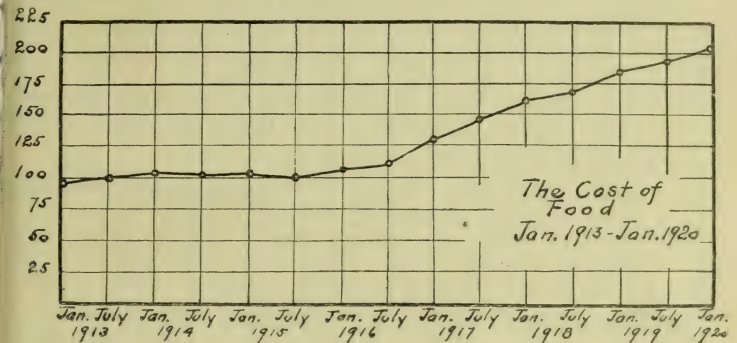
At length the treaty with Germany was completed, President Wilson returned to America, and on July 10, 1919, he appeared before the Senate to outline the purposes and contents of the agreement and to offer his services to that body and to its Committee on Foreign Relations in order to enable them intelligently to exercise their advisory function as part of the treaty-making power. The Treaty was seen to contain two general features: a stern reckoning with Germany which commended itself to all except a small minority of the Senate; and a plan for a League of Nations which provided for concerted action on the part of the nations of the world to reduce armaments and to minimize the danger of war. President Wilson's interest in the League was intense and of long standing. He had hoped—and in this he was supported doubtless by the entire American people—that the European conflict might be a "war to end war," and to this conclusion he believed that a world association was essential. Public interest in the project was indicated by the efforts put forth in its behalf by Ex-President

[1] Something little short of a revolution in American international relations was taking place when the President of the United States received in Paris lists of callers such as that mentioned in the newspapers of May 17, 1919:

Prince Charron of the Siamese delegation; Dr. Markoff, of the Carpatho-Russian Committee; M. Ollivier, President of the French National Union of Railwaymen; M. Jacob, a representative of the Celtic Circle of Paris; Messrs. Bureo and Jacob of the Uruguyan delegation; Turkhan Pasha, the Albanian leader; Enrique Villegas, former Foreign Minister of Chile; Foreign Minister Benez and M. Kramer, of the Czecho-slovak delegation, to discuss the question of Silesia and Teschen; Deputy Damour, concerning the American commemorative statue to be erected in the Gironde River; a delegation from the Parliament of Kuban, Northern Caucasus; the Archbishop of Trebizond, Joseph Reinach, the French historian, and Governor Richard L. Manning of South Carolina.

Taft, George W. Wickersham, who had been Attorney-General in the Taft cabinet, President Lowell of Harvard University, and other influential citizens.

Although interest in the Treaty and the League of Nations overshadowed all other issues, nevertheless many problems relating to internal reconstruction pressed forward for settlement. It was commonly, if not universally felt that somehow the United States



Based on The Monthly Labor Review, Apr., 1920.
100 represents the price of food for 1913.

would be different after the war, but in what ways and to what degree remained to be determined. Reconstruction in the world of industry was complicated by the demobilization of several millions of men from the army and navy, as well as the freeing of a still larger number of both men and women from various kinds of war work.[1] When the armistice was signed, the industries of the country were under contract with the War Department to provide supplies valued at six billion dollars, and these contracts had to be terminated with as little dislocation of industrial life as might be consistent with the necessity of stopping the pro-

[1] The Secretary of War estimated the total of all these groups at 13,650,000.

duction of materials which the government could not use. The laboring classes had loyally supported the war and had largely relinquished the use of the strike for the time being. In the meantime the cost of living had doubled, while wages in most industries had not responded equally. After the war, therefore, it was inevitable that the laboring classes should become restive under prevailing economic conditions. No more important question faced the country, a keen observer declared, than that concerning the wages of the laboring man: "How are the masses of men and women who labor with their hands to be secured out of the products of their toil what they will feel to be and will be in fact a fair return?"

The huge purchases of war materials in the United States by European nations had transformed this country to a creditor nation to which the chief countries of the world owed large interest payments. The situation was a distinct contrast to the past, for the industrial development of the country especially since the Civil War, had been made possible in considerable measure by capital borrowed in European countries. Hitherto, therefore, the United States had been a debtor nation sending large yearly interest payments abroad. Moreover, America was being increasingly looked to for raw materials as well as manufactured articles, and was likely to become more than ever an exporting nation.

The mobilization of the large armies required for the war proved the need of energetic reforms in fields that had earlier been too much neglected. The fact that so many as twenty-nine per cent. of the young men examined for the army between the ages of twenty-one and thirty had to be rejected because of physical defects was a cause of astonishment. The need of

Lingley, foot note? ??

greater efforts in behalf of education was proved by the large number of illiterates discovered, and the necessity of training immigrants in the fundamentals of American government was so clearly demonstrated as to give rise to wide-spread plans for Americanization.

More definite were the effects of the war on the prohibition movement. For many years a small but growing minority of reformers had urged the adoption of means for stopping the use of intoxicating liquors and they had been successful in procuring constitutional amendments in about half the states by the close of 1916. The war presented an opportunity for further progress. In September, 1918, they procured the passage of a resolution in Congress allowing the President to establish zones around places where war materials were manufactured; liquors were not to be sold within these areas. Soon afterward the manufacture of beer and wine was forbidden until the conclusion of the war, on the ground that the grains and fruits needed for the production of these beverages could better be used as foods. In the meantime a federal constitutional amendment establishing prohibition had been referred to the states for ratification. By January 16, 1919, it had received the necessary ratification by three-fourths of the states and took effect a year later.[1]

[1] The Eighteenth Amendment is as follows:

Section 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Section 2. The Congress and the several states shall have concurrent power to enforce this article by appropriate legislation.

Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the

The railroads constituted another difficult problem. Agreement seemed to be general that they could not be relinquished by the government to private control without significant changes in existing legislation, and several forces, especially the insistence of the President and of the opponents of government ownership, combined to spur Congress to act on the matter at an early date. The Esch-Cummins law of February 28, 1920, was an important addition to the body of interstate commerce legislation. It enlarged and increased the powers of the Interstate Commerce Commission; it authorized the Commission to recommend government loans to the railroads; established a Railroad Labor Board to settle disputes between the carriers and their employees; empowered the Commission to require the joint use of track and terminal facilities in emergencies; forbade the construction of new lines and the issuance of stocks and bonds without the consent of the Commission; directed the preparation and adoption of plans for the consolidation of the railway properties into a limited number of systems; permitted pooling under the authorization of the Commission; and provided for the accumulation of reserve funds and a fund for purchasing additions to railway equipment. Whether a final solution of the transportation problem or not, the new act embodied much of the experience gained since the passage of the law of 1887.

In the field of politics and government an important part of reconstruction was the readjustment of relations between the federal executive and Congress. During the war it was inevitable that the President should provide most of the initiative in legislation; but it was likewise inevitable that the legislative branch

several states, as provided in the Constitution, within seven years from the date of the submission hereof to the states by the Congress.

should reassert itself as soon as possible. The fact that the consideration of the Treaty of Versailles necessarily concerned the Senate rather than the House of Representatives, gave the upper chamber an opportunity to attempt the repression of executive power to the proportions which had characterized it immediately before the war. Moreover if the members of the Senate should imitate the example of their predecessors in the conflict with President Johnson in 1867, that body might attempt to regain for itself the primacy in the federal government which had been partially lost under Cleveland's regime and completely superseded through Roosevelt's development of the presidential office.

The course of the Treaty in the Senate was such as to stimulate any friction which might result from the difficult process of reconstruction. Despite the early sentiment favorable to prompt ratification, that part of the Treaty which related to a League of Nations met a variety of opposing forces. Some of them were based on personal, political and partisan considerations, and some of them founded upon a sincere hesitancy about adventuring into new and untried fields of international effort. In the main, party lines were somewhat strictly drawn in the Senate, the Democrats favoring and the Republicans opposing ratification of the treaty as it stood.[1] All debates in the Senate relating to the treaty were for the first time in our history open to the public, and popular interest was keen and sustained. Among people outside of Congress party lines were more commonly broken than in the Senate, and members of that body were deluged with petitions and correspondence for and against ratifica-

[1] As the Congress was that which had been elected in 1918, the Senate was controlled by the Republicans.

tion. At length it appeared that a considerable fraction of the Senate desired ratification without any change whatever, a smaller number desired absolute rejection and a "middle group" wished ratification with certain reservations which would interpret or possibly amend portions of the plan for a League of Nations—portions which they felt were vague or dangerous to American interests. After long-continued discussion, the friends of the project were unable to muster the necessary two-thirds for ratification, and its enemies failed to obtain the majority required to make amendments, and the entire matter was accordingly postponed, pending the results of the presidential election of 1920.

The United States, therefore, found itself after the close of the World War in much the same position that it had been in more than half a century earlier at the end of the Civil War. The unity of purpose and the devotion to ideals which had overcome all difficulties during the combat had seemingly, at least, given way to partisan diversity of endeavor, to strife for supremacy in government and to the avoidance of the great problems of reconstruction. Time, patience and controversy would be necessary to bring about a wise settlement. The United States was face to face with the greatest problems that had arisen since the Civil War.

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